COMPLETED AG7.18:WP1-86

United States Department of Agriculture

Foreign Agricultural Service

WP 1-86
February 1986

Foreign Agriculture Circular

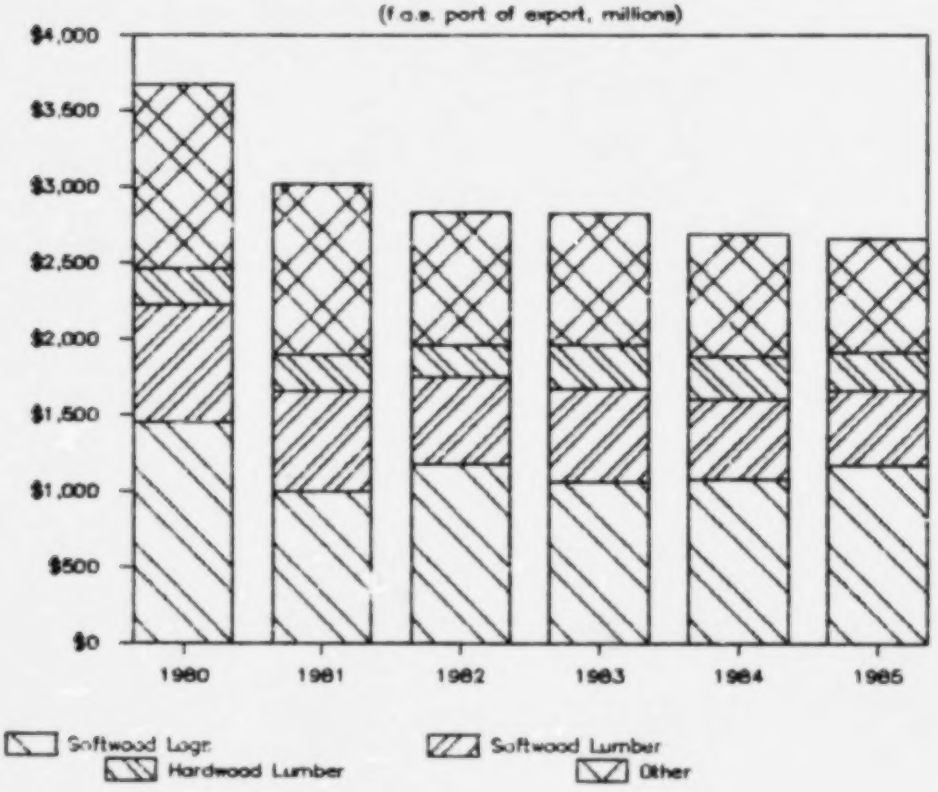
Wood Products

International Trade and Foreign Markets

ORIG

U.S. WOOD PRODUCT EXPORTS, 1980–85

(f.a.s. port of export, millions)



BEST COPY AVAILABLE

SUBSCRIPTION INFORMATION

Wood Products Circular

The Foreign Agricultural Service publishes quarterly circulars covering the world supply and demand situation for wood products. The circulars are available on an annual subscription basis. The charge for four issues is US$7.00 for domestic mailing, and US$10.00 for foreign mailing.

To order, send a check for the total amount payable to the Foreign Agricultural Service. Only checks on U.S. banks, cashier's checks, or international money orders will be accepted. No refunds can be made. Subscription requests should include your name, organization or firm, street or P.O. box number, city, state (or country), and zip code. Mail your request to:

Foreign Agricultural Service
Information Division
Room 4644-South Building
U.S. Department of Agriculture
Washington, D.C. 20250

Telephone: (202) 382-9445

Commodity Reports

Foreign Agricultural Service agricultural counselors and attaches report on wood product marketing and other economic information on an annual basis for 30 selected countries. The subscription price for the scheduled reports, voluntary reports, and report updates is US$76.00 for the year ending May 1986. Checks (payable to the Foreign Agricultural Service) should be sent to:

Reports Officer
Foreign Agricultural Service
U.S. Department of Agriculture
Room 6058-South Building
Washington, D.C. 20250

Telephone: (202) 382-8924

WOOD PRODUCTS: INTERNATIONAL TRADE AND FOREIGN MARKETS
ANNUAL 1985

CONTENTS

	Page
SUBSCRIPTION INFORMATION	2
SUMMARY	4
HARDWOOD	4
SOFTWOOD	5
RECENT DEVELOPMENTS	
Imports of Wood Shingles and Shakes from Canada	6
U.S. - Canada Softwood Lumber Talks	6
Export Credits for U.S. Solid Wood Products	7
Market Oriented Sector Specific (MOSS) Talks	8
Update: Demonstration House - Japan	8
France To Increase Softwood Plywood Production	9
U.K. Housing Starts Up in 1985 While Timber Frame's Share Falls	9
1986 European Community Softwood Plywood Quota	10
REPORTS FROM OVERSEAS	
Austria	10
Chile	11
Denmark	11
Federal Republic of Germany	12
France	13
Italy	14
Netherlands	14
Taiwan	16
United Kingdom	17
Venezuela	18
TABLES	
TABLE 1A. Wood Products: Quantity of U.S. Exports by Commodity, 1981-85	19
TABLE 1B. Wood Products: Value of U.S. Exports by Commodity, 1981-85	20
TABLE 2. Wood Products: U.S. Exports by Country, 1981-85	21
TABLE 3. Hardwood Products: U.S. Exports by Commodity, 1983-85.	22
TABLE 4. Hardwood Products: U.S. Exports by Country, 1983-85	23
TABLE 5. Hardwood Logs: U.S. Exports by Country, 1984-85	24
TABLE 6. Hardwood Lumber: U.S. Exports by Country, 1984-85	25
TABLE 7. Hardwood Veneer: U.S. Exports by Country, 1984-85	26
TABLE 8. Hardwood Plywood: U.S. Exports by Country, 1984-85	27
TABLE 9. Softwood Products: U.S. Exports by Commodity, 1983-85.	28
TABLE 10. Softwood Products: U.S. Exports by Country, 1983-85	29
TABLE 11. Softwood Logs: U.S. Exports by Country, 1984-85	30
TABLE 12. Softwood Lumber: U.S. Exports By Country, 1984-85	31
TABLE 13. Softwood Plywood: U.S. Exports By Country, 1984-85	32
TABLE 14. Wood Chips: U.S. Exports By Country, 1984-85	33
TABLE 15. Softwood Veneer: U.S. Exports By Country, 1984-85	34
TABLE 16. Wood Products: U.S. Trade Balance by Commodity, 1985	35

SUMMARY

U.S. solid wood exports reached $2,664 million in 1985. The U.S. exported 3,732 million board feet of softwood logs and 2,318 million board feet of softwood lumber. On the imports side, the United States purchased a record $4,909 million of wood products, mostly softwood products from Canada.

Current trade conditions seem to indicate continuing stable export performance well into 1986. Pacific Rim demand for U.S. wood products should remain strong with Japan continuing to be the largest importer of U.S. wood products.

Major changes in U.S. export performance between 1984 and 1985 included:

- A strong overall performance in 1985 relative to export performance in other sectors. U.S. exports in the second-half were up 5 percent over the same period last year.
- U.S. softwood product exports were up in 1985 led by an 11-percent increase for softwood logs.
- Exports to Japan, China, and South Korea were up over last year.
- Exports of wood chips to Finland are being conducted on a test basis. Sweden has resumed importing U.S. chips.
- Demand for U.S. hardwoods in European markets declined in 1985.
- Imports of softwood lumber from Canada were up 10 percent by quantity at 14.2 billion board feet in 1985.

HARDWOOD

Total hardwood export trade in 1985 was $430 million, down $62 million from 1984. U.S. hardwood lumber exports of $248 million accounted for 57 percent of total U.S. hardwood product exports. Hardwood products made up 16 percent of total wood export trade in 1985. Imports of hardwood products into the United States were down due to sufficient domestic supplies.

The following table shows hardwood lumber exports by species:

	1984	1985
	$1,000, F.A.S. Port of Export	
Maple, Birch and Beech	10,474	8,390
Red Oak	121,627	116,884
White Oak	74,471	55,854
Ash	12,694	9,922
Walnut	4,703	6,610
Other	58,163	49,937
Total	282,132	247,597

BEST COPY AVAILABLE

Exports to West Germany and other European Community members were down reflecting flat economic performance in those economies. Export markets for U.S. hardwoods have suffered following a general decline in the European housing market--the primary user of high-quality American hardwood products--and the corresponding slack demand for furniture. West German imports of U.S. hardwood products were down for logs, lumber, veneer, and flooring. Taiwanese imports of U.S. hardwood products, mostly logs and lumber, were up 17 percent for the year reflecting Taiwan's increasing problems in procuring supplies from its traditional Southeast Asian trading partners.

U.S. hardwood veneer exports were down $20 million or 32 percent. Veneer exports represent 14 percent of the U.S. export market for hardwood products. West Germany, purchaser of fully half of the U.S. hardwood veneer destined for export, reduced its demand for veneer in 1985 by $13 million, a decline of 36 percent.

SOFTWOOD

Softwood exports for 1985 were valued at $1.94 billion, up nearly 2 percent from the previous year. Shipments of logs, lumber, and wood chips accounted for 60, 25, and 9 percent, respectively, of the $1.94 billion total.

Exports to Japan, the leading U.S. softwood export market, were valued at $1.01 billion, an increase of over 5 percent from a year earlier. Shipments to China, totaling $328.2 million, were up 16 percent.

Softwood log exports totaled 3.7 billion board feet, an increase of 11 percent from the previous year. Shipments were valued at $1.17 billion, representing 60 percent of the $1.94 billion in 1985 softwood exports. Exports to Japan totaled 1.9 billion board feet, up 8 percent from 1984. Shipments to China posted a 23-percent increase over the same time period, exceeding 1.0 billion board feet for the first time. Exports to Canada and South Korea were up as well, rising 11 and 13 percent, respectively. The following table shows U.S. exports of softwood logs by species in million board feet.

	1984	1985
Douglas-fir	1,589	1,786
Hemlock	1,120	1,304
Spruce	492	480
Other	168	162
Total	3,369	3,732

Totals may not add due to rounding.

U.S. exports of softwood lumber totaled 1.5 billion board feet and were valued at $492.4 million, a decline of 5 and 7 percent, respectively, from 1984 levels. Japan remained the top market importing 574.2 million board feet from the United States, 5 percent more than 1984's total. Exports to Mexico were up sharply, rising 20 percent to 109.5 million board feet. The following table shows U.S. exports of softwood lumber by species in million board feet:

BEST COPY AVAILABLE

	1984	1985
Douglas-fir	532.1	475.6
Hemlock	337.4	364.4
Southern yellow pine	172.4	164.4
Ponderosa pine	136.0	129.3
Spruce	98.1	60.8
All others	310.1	310.3
Total	1,586.2	1,504.8

Totals may not add due to rounding.

Softwood plywood exports totaled 320.5 million square feet, down 14 percent from the previous year. While exports to most major markets were down, shipments to West Germany increased 49 percent to 21.4 million square feet. Exports to the Netherlands were up as well, rising 17 percent to reach 48.6 million square feet. Total exports were valued at $75.2 million.

Exports of wood chips totaled 2.3 million short tons, approximately the same as in 1984. Japan accounted for 94 percent of the total trade. Exports to Sweden totaled 47,000 short tons and were valued at $2.5 million. Exports of wood chips to Sweden had fallen from a high of $45.7 million in 1981 to zero in both 1983 and 1984.

RECENT DEVELOPMENTS

Imports of Wood Shingles and Shakes from Canada

The International Trade Commission (ITC) is conducting an investigation under Section 201 of the Trade Act of 1974 to determine whether increased quantities of shingle and shake imports from Canada are injuring the domestic industry. The Commission is scheduled to report to the President on the investigation in March. If the Commission determines that the U.S. industry is being injured, it will recommend remedies which could include tariffs or quotas. The President may implement the Commission's recommendation, substitute a remedy of his own, or reject any form of relief.

Imports from Canada of wood shingles and shakes, chiefly western red cedar from the Pacific Northwest, were $183 million and $179 million in 1984 and 1985, respectively.

U.S. - Canada Softwood Lumber Talks

Increased penetration of the U.S. market by Canadian softwood lumber during 1970 - 1985, has led to repeated calls by U.S. industry groups for Government action to relieve the situation. Imports of softwood lumber in 1985 totaled a record 14.2 billion board feet, valued at over $2.7 billion. In 1984, the totals were 12.9 billion board feet and $2.5 billion. Softwood lumber imported from Canada accounted for about 30 percent of U.S. consumption in both 1984 and 1985.

BEST COPY AVAILABLE

Several bills aimed at relieving the situation are presently being considered in Congress, and the Administration, through the Office of the United States Trade Representative, has begun talks with the Canadian Government to seek solutions to the issue. The first of such talks, held in San Diego on January 19, 1986, established an agenda of issues to be addressed and a list of questions on the U.S. and Canadian marketing systems believed to be at the root of the alleged market disparity. A technical meeting was held in Prince George, British Columbia, February 12-14, to begin answering the questions posed. At the San Diego meeting, it was agreed to hold such meetings at approximately two-to-three-week intervals at least through April 1986.

Export Credits for U.S. Solid Wood Products

As of February 1986, United States Department of Agriculture's (USDA) GSM-102 export credit guarantees for solid wood products totaled $28.3 million. The total for all other agricultural products was almost $3.5 billion spread among 21 countries. Only $1.3 million of the solid wood products total has been used. The $27.0 million balance is available for use until September 30, 1986 (the end of fiscal year 1986). Amounts for solid wood products by specific countries are:

	Used	Balance	Total
	----------	$ millions	----------
Iraq	0.0	16.0	16.0
Jamaica	0.0	8.5	8.5
Egypt	0.0	2.5	2.5
Haiti	1.3	0.0	1.3
Total	1.3	27.0	28.3

Export guarantees for additional countries for solid wood products could be considered if requested by U.S. exporters, a foreign Government or private importer. For example, a recent request from a private Argentina buyer for $200,000 for solid wood products under this credit program is now under consideration by USDA. A U.S. private/Government marketing team, planning to visit Iraq and Egypt in the near future, will also go to Yemen Arab Republic (North Yemen) regarding that Government's interest in using several million dollars of credit guarantees for U.S. solid wood products.

This GSM-102 program is designed to expand U.S. agricultural exports by stimulating U.S. bank financing of foreign purchases on credit terms of up to 3 years. The program operates in cases where credit is necessary to increase or maintain U.S. exports to a foreign market where private financial institutions would be unwilling to provide financing without CCC's guarantee. CCC does not wish to provide guarantees where commodities would be purchased for cash in the absence of CCC's program

BEST COPY AVAILABLE

For further information contact:

Forest Products Division
Foreign Agricultural Service
U.S. Department of Agriculture
Room 4554-S
Washington, D.C. 20250
Phone: (202) 382-9166

Market Oriented Sector Specific (MOSS) Talks

Following a year of intensive negotiations, the U.S./Japan MOSS Forest Products Group reached an interim agreement in January on tariff reductions. Tariffs on veneers, lumber, laminated products, moldings, and panel products other than plywood will be reduced in 1987. Plywood tariff reductions will begin in 1987 and be further reduced in 1988 (see table below). The agreement with the Japanese calls for the MOSS process on tariffs to resume "as the results of the 1987 reductions become available." The MOSS process on standards issues will continue with the objective of developing new and revised product standards for laminated lumber and non-veneered panel products such as waferboard and oriented strand board by the end of this year.

Tariff Reduction Schedule:

Description/CCCN		Jan. 86	Apr. 87	Apr. 88
			Percent	
Veneer	44.14.230	15.0	5.0	
	44.14.290	15.0	5.0	
Plywood	44.15.111	16.3	12.5	10.0
	44.15.191	15.0	12.5	10.0
	44.15.192	20.0	17.5	15.0
	44.15.193	20.0	17.5	15.0
	44.15.194	17.0	13.5	10.0
	44.15.195	17.0	13.5	10.0
Particleboard	44.18.100	12.0	8.0	
Pine Lumber Rough	44.05.310	7.0	4.8	
Fiberboard	44.11.900	5.2	3.5	
Lumber Finished	44.13.300	10.0	8.0	
Laminated lumber	44.15.200	20.0	15.0	
Moldings	44.19.000	7.2	4.8	

Update: Demonstration House - Japan

In October 1985, the MOSS Forest Products Group endorsed building a wood demonstration structure in Japan with the objective of increasing the use of wood products in Japan. This demonstration unit is currently under

BEST COPY AVAILABLE

construction in Tokyo. The target date for completion is May 1--in time for the Economic Summit. This three-story building will feature wood construction, utilize modern building systems and products, and demonstrate savings that can be achieved in building costs, time, and energy requirements. The American Plywood Association is coordinating this activity with support from all segments of the U.S. industry.

France To Increase Softwood Plywood Production

The French firm "Societe Industrielle Du Bois" (S.I.B.) is expected to begin production of softwood plywood in the spring of 1986 at Sauze-Vaussais in western France. The U.S. Agricultural Counselor in Paris reported that S.I.B., which had been producing exotic hardwood plywood at Sauze-Vaussais since 1965, has recently spent more than US$1.0 million to convert the plant for softwood processing. Species grown in southwestern France (maritime pine, scots pine, spruce, and possibly Douglas-fir) will be used. The plant will reportedly have a capacity of 50 cubic meters/day (56.5 thousand square feet, 3/8" basis). Most of the production will be destined for crating and construction, the balance being used for making furniture.

Currently, there is only one firm, "Rougier-Ocean-Landex" (R.O.L.), producing softwood plywood in France. With the start-up of S.I.B.'s plant at Sauze-Vaussais, France's annual softwood plywood output of approximately 125,000 cubic meters (141.2 million square feet, 3/8" basis) will increase by more than 10 percent, thereby reducing the need for imported softwood plywood. This will have a negative, though likely moderate, effect on U.S. softwood plywood exports to France, which have already fallen sharply due to slack French demand and the weakness of the French franc relative to the U.S. dollar.

In 1985, U.S. softwood plywood shipments to France were valued at $660,000, down 39 percent from the previous year. Competition between U.S. and French softwood plywood in other European Community markets may increase as well since S.I.B. is expected to export 25 to 30 percent of its softwood plywood production.

U.K. Housing Starts Up in 1985 While Timber Frame's Share Falls

Housing starts in the United Kingdom through the first three quarters of 1985 were up a modest 3.6 percent compared to the same period in 1984. Timber frame's share of the housing market, however, continued to decline through the first two quarters of 1985 and then leveled off. The following table highlights U.K. housing starts, and timber frame's relative share of the total, for the period 1982 through the first three quarters of 1985:

Year	Total Number of Starts (1,000's)	Timber Frame Percent Share
1982	141.6	23
1983	175.8	22
1984	165.6	16
Jan.-Sept.1985	136.3	10

Source: National House-Building Council

BEST COPY AVAILABLE

1986 European Community Softwood Plywood Quota

The 1986 nil-duty coniferous plywood quota for the European Community was allotted as follows:

Country	Cubic Meters	Thousand 1/ Square Feet
Benelux	152,695	172,536
Denmark	64,490	72,870
France	10,915	12,333
Greece	50	56
Ireland	8,850	10,000
Italy	23,780	26,870
United Kingdom	236,00	266,667
West Germany	93,220	105,333
Reserve	10,000	11,299
Total	600,000	677,966

1/ Conversion Factor: One thousand square feet, (3/8" basis) equals .885 cubic meters.

Totals may not add due to rounding.

As new members, Spain and Portugal will be allowed to draw from the reserve beginning March 1, 1986. Once a country's allotment is exhausted, a 10.4-percent tariff is applied. The following relates the amount of the quota remaining, as of the date shown, for seven of the EC countries:

Country	Date	Cubic Meters Remaining
Belgium/Luxembourg	February 6	60,000
Denmark	January 27	54,558
Ireland	February 6	5,615
Netherlands	February 6	39,000
United Kingdom	February 5	169,965
West Germany	January 27	63,310

REPORTS FROM OVERSEAS

Austria

Softwood lumber production in Austria totaled an estimated 5.85 million cubic meters (2.5 billion board feet) in 1985, down 3 percent from the previous year. While domestic consumption of softwood lumber rose slightly, exports fell 9 percent, resulting in an increased level of stocks. In order to correct this situation, the usual closures of small sawmills which occur from mid-December to mid-January will be expanded this year. In addition, the larger sawmills will reportedly implement some form of temporary production halt. It is estimated that, in the main wood milling provinces, up to 50 percent of the productive capacity will be closed temporarily during the winter months.

BEST COPY AVAILABLE

Austria remains a large exporter of softwood lumber. In 1984, exports of 4.0 million cubic meters accounted for 67 percent of the total annual production. Besides exporting to its European neighbors, Austria also exports a significant amount of softwood lumber to North Africa and the Middle East. While Austrian shipments to this part of the world fell snarply in 1985, the long-term outlook remains favorable.

Austria was able to resolve a trade conflict last year with Iraq which snould clear the way for increased shipments to that country in the coming year. A dispute over late shipment arrivals and damaged goods developed about 4 years ago, at which time the Iraqis implemented import restrictions against Austrian wood. Under the agreement reached in the spring of 1985, Austrian lumber suppliers will pay to Iraq damages of Austrian schillings (AS) 80 million with the Austrian Finance Ministry contributing an additional AS 4 million. In return, Iraq will reduce its claim for damages from tne original AS 300 million to AS 84 million and will also lift the import restrictions.

Chile

Chilean softwood log production and exports have continued to increase. Chile's roundwood harvest during 1985 is forecast at 12 million cubic meters, up 8 percent from 1984. Pulpwood accounts for roughly 40 percent of the total consumption of roundwood. However, consumption of softwood in the sawnwood and log export industries is also strong, accounting for 37 and 8 percent, respectively.

The native forest inventory in Chile has been estimated at 916 million cubic meters. Total plantation inventories account for an additional 188 million cubic meters. Nearly all new plantings are of radiata pine. By the middle of the next decade Chile's timber supply could be twice current levels. The exact impact of such an increase in supply on export markets now served by the United States is uncertain.

The predicted growth of Chile's domestic market for processed wood will also affect its ability to serve the export market. The growth in domestic demand is being fueled by a significant expansion in Chile's housing stock due to the Government of Chile's social nousing program and to reconstruction after last year's March 3 earthquake. Chile's principal export markets traditionally have been its immediate neighbors. However, 1984 and 1985 saw Chile exporting logs and lumber to traditional North American markets, most notably, Japan, South Korea and Cnina.

Denmark

The construction and furniture industries in Denmark showed signs of improvement in 1985. This helped boost imports and consumption of most solid wood commodities. Plywood was a notable exception.

A high level of plywood stocks in the beginning of 1985 kept imports for the year down despite a reasonably healthy demand. Now that stocks have been reduced, imports are forecast to increase in 1986.

BEST COPY AVAILABLE

The United States' share of the Danish plywood market has fallen in recent years, the result of a strong dollar and the subsequent increase in competition from Canadian suppliers. As reported in the 1985 FAS attache report for Denmark, the U.S. share of Danish plywood imports fell from 73 percent in 1983 to 55 percent in 1984 and to 32 percent for the first half of 1985.

U.S. Share of Danish Plywood Market

Year	Percent of Total Imports
1983	73
1984	55
First-half 1985	32

Source: FAS Attache Report, 1985

For 1985, U.S. exports to Denmark were valued at $12.1 million, a decline of 21 percent from the previous year's total. For the year, shipments of hardwood lumber and softwood plywood declined 20 and 25 percent, respectively. The United States remains Denmark's number one supplier of walnut and ash, and the number three supplier of oak.

Federal Republic of Germany (FRG)

The FRG's timber harvest in 1985 totaled an estimated 27.9 million cubic meters, up 5 percent from the previous year. The harvest was strongly influenced by storm damage which occurred in November 1984. It is estimated that 10-13 million cubic meters of timber, primarily whitewood (spruce), was downed in that storm.

The housing and furniture industries in the FRG remained depressed in 1985 and, as a result, demand for most wood products continued to be weak. Not surprisingly, FRG imports of most wood products were down in 1985. Given the current housing surplus, the first ever recorded in the FRG, recovery in the key wood-consuming industries is not foreseen in the near term.

The value of U.S. exports of solid wood products to the FRG in 1985 totaled $99.3 million, a decline of 23 percent when compared to the previous year.

BEST COPY AVAILABLE

U.S. Exports of Selected Wood Products to the FRG, 1983-85
(US$ 1,000)

Commodity	1983	1984	1985
Hardwood logs	42,767	37,079	28,987
Softwood lumber	22,989	14,978	10,717
Hardwood lumber	33,008	25,788	18,630
Hardwood veneer	47,908	36,072	23,344
Softwood plywood	10,838	3,043	3,765
Other	15,042	12,768	13,854
Total	172,552	129,728	99,197

Source: U.S. Department of Commerce

France

Improved domestic supply conditions in France during 1984 and 1985 resulted in decreased imports of most solid wood products. French exports showed improvement over the same time period, the result of expanded production and slack domestic demand.

The principal U.S. solid wood commodities exported to France in recent years have been hardwood logs, softwood and hardwood lumber, and softwood plywood. Together, these four products accounted for 69 percent of the $14.3 million in total U.S. wood exports to France in 1985.

Severe storms in 1984 pushed up domestic stock levels of temperate hardwood logs and this, in turn, resulted in a drop in 1985 imports into France. However, U.S. shipments of hardwood logs to France in 1985 were valued at $1.64 million, an increase of 2 percent when compared to the previous year. The United States is the number two supplier of temperate hardwood logs to this market behind Belgium, and the number one supplier of oak.

In 1984, U.S. exports of softwood lumber to France accounted for less than 1 percent of that country's total imports of 1.5 million cubic meters. Sweden and Finland remained the top suppliers, each accounting for approximately 28 percent of the total. For 1985, U.S. shipments totaled $1.3 million, down 40 percent from the previous year.

The United States is the leading foreign supplier of temperate hardwood lumber to France with 1985 exports totaling $6.3 million. While shipments have been on the decline in recent years, the U.S. share of the market has increased, reaching 64 percent in 1984.

U.S. softwood plywood exports to France fell in 1985 for the third year in a row to total $660,000. Considering the planned increase in French plywood producing capabilities (see Recent Developments), the outlook for shipments rebounding in the near-term is not favorable.

BEST COPY AVAILABLE

Italy

U.S. solid wood exports to Italy experienced a further decline in 1985, the result of drastic fluctuations in that country's exchange rates, high interest rates, and a weak domestic demand.

Furniture manufacturing accounts for approximately 70 percent of all wood products consumed in Italy and, at present, this country remains the leading furniture exporting country in the European Community (EC). However, the generally slack worldwide demand for furniture in 1985 worked to keep activity in the Italian wood products industry at restrained levels.

U.S. Exports of Selected Wood Products to Italy, 1983-85
(US$ 1,000)

Commodity	1983	1984	1985
Hardwood logs	5,540	5,732	6,225
Softwood lumber	71,134	53,216	42,635
Hardwood lumber	13,777	15,567	10,221
Hardwood veneer	5,424	4,006	3,000
All others	4,240	4,861	4,239
Total	100,115	83,382	66,320

Source: U.S. Department of Commerce

The Italian trade representative, FEDECOMLEGNO, is promoting a 3-year plan which, if successful, could lead to increased consumption of wood products in the Italian construction sector. While wood is being utilized in Italy for construction purposes, it has never been used to the extent as it has in other European countries. Under the proposed program, efforts would be made to increase awareness among Italian architects, engineers, and designers regarding construction applications for wood. There are reportedly several foreign exporters and industry associations interested in the Italian market who plan to collaborate with FEDECOMLEGNO in these efforts.

Netherlands

The Dutch economy continued to improve in 1985 although activity in the construction and furniture industries fell below the previous year's levels. New home building, which accounts for 50 percent of all construction, fell 2 percent in 1985 and is expected to decline further in 1986. On a positive note, home improvement construction showed signs of growth in 1985 and is likely to continue to grow in the coming years.

U.S. exports of solid wood products to the Netherlands were valued at $27.9 million in 1985, down 9 percent from the previous year. Hardwood lumber and softwood plywood continue to account for roughly three-fourths of the value of direct U.S. shipments (excluding transhipments) to this country.

BEST COPY AVAILABLE

U.S. Exports of Selected Wood Products
to the Netherlands, 1983-85
(US$ 1,000)

Commodity	1983	1984	1985
Hardwood logs	1,904	1,678	1,156
Softwood lumber	2,252	1,338	1,703
Hardwood lumber	17,508	10,174	8,127
Softwood plywood	18,373	12,349	12,867
All other	5,787	4,914	4,008
Total	45,824	30,453	27,861

Source: U.S. Department of Commerce

Temperate hardwood lumber imported from the United States, most of which is oak, is used primarily in the Dutch furniture industry. As this industry has declined in recent years, so has the quantity of hardwood lumber imported from the United States. The strong dollar and the impact of increased substitution have also played a role in the fall of U.S. shipments. In the event of a weakening of the dollar's position, Dutch importers are likely to consider boosting their imports of U.S. oak lumber. The principal advantage of U.S. oak over that of European oak is the ready availability of kiln-dried lumber in a variety of uniform specifications. Such an availability translates into a reduced need for maintaining costly stocks.

U.S. softwood plywood is consumed in the Netherlands in the following manner: 60 percent for construction; 30 percent for packaging; and 10 percent for miscellaneous applications. As the following table illustrates, the United States continues to be the largest supplier of plywood to the Netherlands with France a close second:

The Netherlands: Plywood Imports, 1983-85 1/
(1,000 Cubic Meters)

Country	1983	1984	1985 2/
United States	89	68	63
France	60	56	60
Belgium	21	25	50
Canada	31	39	35
West Germany	25	21	23
All others	203	230	194
Total	429	439	425

1/ Data for all plywood
2/ Estimated
Source: Central Bureau of Statistics

The data in the preceding table does not take into account transshipments. During 1985, the Netherlands imported third country plywood from other European Community members such as Belgium, West Germany, and Denmark. Of these shipments, a large percentage probably came from the United States and Canada originally. The Canadians were able to make further inroads into the Dutch softwood plywood market during 1985, reportedly at the expense of the United States. Dutch traders expect, however, that a weaker dollar and lower U.S. offering prices will allow the United States to regain a portion of that lost share during 1986.

Taiwan

Taiwan's domestic log production in 1985 was an estimated 518,000 cubic meters, slightly below the previous year's level. Production in recent years trended downward as domestic logging has become increasingly cost-inefficient and now fills only about 10 percent of Taiwan's log requirements. Imports in 1985 were an estimated 3.8 million cubic meters, about 98 percent of which were tropical hardwoods from neighboring Southeast Asian countries. Malaysia has replaced Indonesia as the area's primary supplier of logs. However, given the anticipated scarcity in the future of quality Southeast Asian logs, it is possible that the current small market share of suppliers such as the United States could increase somewhat.

The combination in recent years of rising costs of logs and rising costs of labor have adversely affected Taiwan's sawmilling and plywood industries as well. Lumber production has fallen dramatically since the peak years of the 1970's, while imports of lumber have increased dramatically during the 1982-84 period. Imports grew from less than 300,000 cubic meters to about 553,000 cubic meters. Importers attribute much of this increase to continued growth in the furniture industry, servicing both the domestic and export markets. The import duty structure favors rougher cut lumber over "finished" product.

The following table shows U.S exports to Taiwan for 1983-85.

Product	1983	1984	1985
Hardwood lumber	24,412	33,855	37,459
Hardwood logs	7,168	9,011	15,510
Hardwood veneer	3,866	5,526	6,006
Particleboard	3,414	5,514	5,218
Hardboard	417	1,710	2,034
Other wood products	2,987	9,399	6,382
Total	42,264	65,015	72,609

The plywood industry is experiencing declining production as is the sawmilling industry. During the 1970's there had been a tremendous increase in the number of plywood mills in Taiwan. However, by 1985, the number of mills had declined from 70-80 mills in 1982 to about 50. Production in 1985 is estimated at 900,000 cubic meters, about 10 percent below the 1984 level. At the same time, imports of plywood in 1985 are estimated at 128,800 cubic meters, an increase over the previous year. Lower-priced Indonesian plywood is gaining market share both in domestic and traditional

Taiwanese export markets. Thus the industry is in a state of flux. The following table, derived from Commerce Department data, shows U.S. imports of hardwood plywood and illustrates the gains made by Indonesian exporters in recent years.

Country	1980	1981	1982	1983	1984	1985
Indonesia	121	272	474	1,352	1,569	2,147
South Korea	902	943	559	415	78	28
Taiwan	860	1,081	851	1,125	905	780
Japan	150	140	96	120	110	107
Philippines	247	437	161	182	95	212
Other countries	160	144	108	152	225	248
Total	2,440	3,017	2,249	3,346	2,982	3,522

While U.S. imports from Taiwan did not decline as significantly as those from Korea, they have fallen from near par with those of Indonesia in 1983 to nearly one-third in 1985. Industry pleas to Government for relief from Indonesian competition have gone largely unheeded. One tactic some of the plywood producers are taking is to concentrate on production and marketing of higher grade plywoods, including printed and overlaid products which command higher prices in export markets. Should this trend continue, it is expected that the use of high-quality veneers such as U.S. oak may increase.

United Kingdom (U.K.)

U.K. demand continued to stagnate in 1985 and this, coupled with the strength of the U.S. dollar, forced U.S. exports to that country to fall for the second year in a row. The United Kingdom continues to be a large market for forest products since domestic resources satisfy less than 10 percent of that country's annual requirements. Forecasts through the year 2000 call for only small increases in self-sufficiency.

U.K. Imports of Selected Wood Products, 1982-84
(1,000 Cubic Meters)

Commodity	1982 Total	1982 From U.S.	1983 Total	1983 From U.S.	1984 Total	1984 From U.S.
Softwood Sawnwood	6,237	84	6,895	123	6,642	79
Hardwood Sawnwood	599	30	880	50	760	55
Plywood & Blockboard	919	96	1,028	146	969	91
Particleboard	1,337	4	1,533	1	1,632	1

Source: Timber Trades Journal, January 4, 1986
U.S. Department of Commerce

Overall, U.S. exports to the United Kingdom were valued at $60.5 million in 1985, a decline of 25 percent when compared to the previous year. A large percentage of the fall in trade can be attributed to the declining market share of U.S. softwood plywood in the United Kingdom.

In 1985, the demand for plywood in the United Kingdom increased from the previous year to reach 1983 levels. However, because of the dollar's continued strength, U.S. producers lost additional market share, primarily to Canadian competitors.

Venezuela

The Venezuelan wood products industry is reportedly under considerable stress caused by a general economic recession, the devaluation of the bolivar, import restrictions which adversely affect the construction industry, a high inflation rate, stagnant salary levels, high unemployment, and reduced demand for housing which has dampened demand for manufactured wood products. The government is taking some measures to address this situation, including re-opening some forest reserves for exploitation, encouraging increased production of manufactured products, saving foreign exchange through import controls, and trying to reactivate the construction industry through subsidy loans.

Total log production in 1985 is estimated to be about 435,000 cubic meters, of which roughly 300,000 cubic meters are hardwoods and 135,000 cubic meters are softwoods. Imports of logs are kept minimal by an ad valorem duty of 30 percent.

The sawmilling industry is comprised of about 160-170 mills with estimated capacity of possibly 500,000 cubic meters per year, and output estimated at about 172,000 cubic meters in 1985. Reportedly, major problems facing these mills are a shortage of good logs to process and generally low quality of sawmill output. Many mills do not have chemical treatment and drying equipment commonly used in industrialized countries. These factors may explain in part the fact that lumber imports have been as high as estimated domestic production in some years, such as 1982. Governmental measures to control imports have reduced these levels to an estimated 31,000 in 1985. Chile, Brazil and the United States were major sources of softwood lumber, while Brazil and Paraguay supplied most of the hardwood lumber supplies.

The plywood industry, consisting of 17 plants, also appears to be operating far below capacity, producing in 1985 about 44,000 cubic meters. In addition to this production, imports supplied about 6,500 cubic meters in 1985. Further developments in the forest products sector appear to be awaiting effective action by the Government to give new stimulus to housing.

The Food and Agricultural Organization estimated Venezuela's wood products imports in 1983 at $71.4 million. U.S. exports to Venezuela that year were $608,000. U.S. shipments in 1985 amounted to $5.1 million and were comprised of softwood lumber, hardwood railroad ties, and miscellaneous processed products.

TABLE 1A. Wood Products: Quantity of U.S. Exports by Commodity, 1980-85

Commodity	1980	1981	1982	1983	1984	1985
Softwood Logs (M bd. ft.)	3,109,108	2,377,099	3,114,988	3,390,618	3,369,371	3,731,971
Hardwood Logs (M bd. ft.)	151,805	157,125	93,161	111,508	125,554	111,196
Poles, Piles, Posts, and Pitprops (no.)	3,914,872	2,718,744	2,765,684	1,917,247	1,283,990	1,466,301
Wood Chips (short tons)	4,478,234	3,545,951	2,860,133	2,514,176	2,325,163	2,317,989
Softwood Lumber (M bd. ft.)	1,963,860	1,895,109	1,615,430	1,733,771	1,586,187	1,504,802
Hardwood Lumber (M bd. ft.)	355,329	378,621	334,304	447,989	441,192	372,603
Softwood Flooring (M bd. ft.)	471	184	255	258	218	981
Hardwood Flooring (M bd. ft.)	21,328	25,875	21,406	29,209	24,664	23,284
Softwood Siding (M bd. ft.)	2,178	1,998	2,502	2,666	1,948	1,490
Hardwood Siding (M bd. ft.)	1,947	1,178	497	968	655	1,201
Softwood Molding (M linear feet)	88,265	146,464	142,169	182,704	116,125	144,001
Hardwood Molding (M linear feet)	22,403	28,076	65,602	17,797	25,806	23,506
Treated Lumber, Siding Flooring and Molding (M bd. ft.)	17,600	14,599	12,047	7,828	10,949	8,119
Softwood Railroad Ties (M bd. ft.)	19,435	15,910	4,632	11,095	24,331	2,870
Hardwood Railroad Ties (M bd. ft.)	108,855	72,854	29,733	36,150	60,289	29,997
Softwood Veneer (M sq. ft.)	255,818	458,538	336,739	414,964	367,752	307,641
Hardwood Veneer (M sq. ft.)	1,077,362	919,613	803,647	1,023,769	1,002,264	792,714
Softwood Plywood (M sq. ft.)	373,378	686,440	451,714	573,663	370,602	320,520
Hardwood Plywood (M sq. ft.)	46,126	55,005	41,260	41,135	36,658	44,023
Hardboard 1/ (See note)	28,900	57,015	46,793	60,405	63,865	192,090
Particleboard (M sq. ft.)	127,726	139,996	82,214	94,615	108,400	118,780
Other Panel Products 2/ (M sq. ft.)	117106	184,971	137,645	154,646	160,262	131,570
Miscellaneous Wood Products 3/						

1/ Includes fiberboard with a density equal to or greater than 31 pounds per cubic foot.
2/ Includes laminated boards and fiberboards with a density less than 31 pounds per cubic foot.
3/ The various units of quantity included in this category make the total meaningless.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Hardboard is shown in short tons for 1981-84, but in 1985 is shown in thousand square feet.

BEST COPY AVAILABLE

TABLE 1B. Wood Products: Value of U.S. Exports by Commodity, 1980-85

Commodity	1980	1981	1982	1983	1984	1985
	$ thousands, f.a.s. port of export					
Softwood Logs	1,451,691	1,002,848	1,174,180	1,068,481	1,079,202	1,169,133
Hardwood Logs	129,364	91,868	83,905	98,063	100,709	91,149
Poles, Piles, Posts, and Pitprops	36,740	33,871	27,290	24,724	22,945	16,347
Wood Chips	377,900	290,184	231,140	171,269	164,058	168,814
Softwood Lumber	776,847	652,567	574,838	600,859	529,406	492,383
Hardwood Lumber	234,951	242,033	216,133	287,896	282,132	247,597
Softwood Flooring	113	44	133	60	58	226
Hardwood Flooring	6,569	7,041	5,583	6,694	5,716	6,461
Softwood Siding	763	725	737	922	561	678
Hardwood Siding	580	362	162	357	398	265
Softwood Molding	3,425	4,292	3,256	5,891	3,816	4,646
Hardwood Molding	1,755	1,665	2,119	2,012	2,272	3,274
Treated Lumber, Siding Flooring and Molding	6,778	4,961	4,659	2,640	3,799	2,975
Softwood Railraod Ties	4,317	6,124	1,369	4,398	7,005	844
Hardwood Railroad Ties	29,448	19,090	7,126	9,826	11,600	9,037
Softwood Veneer	16,080	17,243	11,385	13,602	11,729	9,567
Hardwood Veneer	106,347	80,346	73,050	93,098	81,897	62,249
Softwood Plywood	95,500	167,332	107,249	135,724	86,526	75,220
Hardwood Plywood	12,663	10,959	9,468	7,486	7,953	10,463
Hardboard 1/	10,705	17,904	13,920	17,949	19,576	24,523
Particleboard	25,815	34,943	19,561	22,724	26,198	24,169
Other Panel Products 2/	27,665	36,620	30,962	32,248	35,228	32,333
Miscellaneous Wood Products 3/	313,943	294,022	237,224	216,034	205,758	211,888
TOTAL, SELECTED COMMODITIES	3,669,959	3,017,044	2,835,449	2,822,957	2,688,542	2,664,241

1/ Includes fiberboard with a density equal to or greater than 31 pounds per cubic foot.
2/ Includes laminated boards and fiberboards with a density less than 31 pounds per cubic foot.
3/ Includes such products as wood waste, pulpwood, building components, containers, and small industrial and household woodenware.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Totals may not add due to rounding.

TABLE 2. Wood Products: Value of U.S. Exports to Principal Markets, 1980-85

Principal Markets	1980	1981	1982	1983	1984	1985	Ratio 85/84
	$ Million, f.a.s. port of export						
Japan	1917.9	1,282.4	1,276.6	1,079.5	1,021.1	1,068.7	1.05
Canada	386.4	446.6	287.4	404.3	381.3	342.4	0.90
China	42.9	99.2	217.0	235.7	287.8	328.9	1.14
South Korea	84.5	59.4	98.8	114.4	106.1	117.8	1.11
West Germany	212.0	165.4	141.5	172.5	129.7	99.3	0.77
Mexico	90.2	98.6	56.6	39.4	58.7	76.0	1.29
Taiwan	8.0	18.1	22.2	42.3	65.0	72.6	1.12
Italy	191.3	89.9	84.6	100.1	83.4	66.3	0.80
Australia	41.8	55.5	43.8	55.4	68.8	64.0	0.93
United Kingdom	66.5	72.3	62.8	93.0	80.5	60.5	0.75
SUBTOTAL	3,041.4	2,387.4	2,291.3	2,336.6	2,282.4	2,296.5	1.01
WORLD TOTAL	3,670.0	3,017.0	2,835.5	2,823.0	2,688.5	2,664.2	0.99

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

BEST COPY AVAILABLE

TABLE 3. Hardwood Products: U.S. Exports by Commodity, 1984-85

COMMODITY	1984	1985	Ratio 85/84
	QUANTITY		
Logs (1000 bd. ft.)	125,554	111,196	0.89
Railroad ties (1000 bd. ft.)	60,289	29,997	0.50
Lumber (1000 bd. ft.)	441,192	372,603	0.84
Siding (1000 bd. ft.)	655	1,201	1.83
Flooring (1000 bd. ft.)	24,664	23,284	0.94
Molding (1000 linear ft.)	25,806	23,506	0.91
Veneer (1000 sq. ft.)	1,002,264	792,714	0.79
Plywood (1000 sq. ft.)	36,658	44,023	1.20
	VALUE ($ Million)		
Logs	100.7	91.1	0.91
Railroad ties	11.6	9.0	0.78
Lumber	282.1	247.6	0.88
Siding	0.4	0.3	0.66
Flooring	5.7	6.5	1.13
Molding	2.3	3.3	1.42
Veneer	81.9	62.2	0.76
Plywood	8.0	10.5	1.31
TOTAL VALUE	492.7	430.5	0.87

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

TABLE 4. Hardwood Products: U.S. Exports by Country, 1984-85
($ Millions, f.a.s. value basis)

Country	1984	1985	Ratio 85/84
Canada	118.9	96.2	0.81
West Germany	99.0	71.1	0.72
Taiwan	48.8	59.0	1.21
Japan	46.5	40.8	0.88
Belgium/Luxembourg	27.6	25.3	0.92
Italy	25.3	19.5	0.77
United Kingdom	21.4	18.6	0.87
Mexico	12.3	12.7	1.04
France	10.4	9.8	0.86
Netherlands	12.1	8.9	0.74
South Korea	7.6	8.9	1.17
Brazil	7.9	7.1	0.90
Spain	5.2	6.8	1.31
Other Countries	49.9	45.7	0.92
TOTAL	492.9	430.5	0.87

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

TABLE 5. Hardwood Logs: U.S. Exports by Country, 1984-85

Country	1984		1985					Ratio 85/84
	4th Qtr.	Total	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Total	
	1000 Board Feet							
Canada	16,780	49,882	15,247	5,852	5,037	7,213	33,349	0.67
West Germany	8,309	28,769	8,666	8,957	1,114	6,042	24,779	0.86
Taiwan	2,413	11,930	3,923	5,736	5,105	3,709	18,473	1.55
Brazil	1,866	5,045	1,914	123	7,307	1,467	10,811	2.14
Japan	1,310	8,429	1,418	1,731	654	1,415	5,218	0.62
Italy	787	4,201	2,261	1,253	197	863	4,574	1.09
Korea, South	511	2,077	1,018	1,070	362	612	3,062	1.47
Belgium/Luxembourg	715	2,998	915	685	91	739	2,430	0.81
Austria	221	341	461	1,009	0	54	1,524	4.47
Mexico	646	2,172	326	375	320	434	1,455	0.67
Netherlands	328	1,602	331	151	79	402	963	0.60
United Kingdom	774	4,551	304	45	0	12	361	0.08
Other Countries	726	3,557	1,173	1,582	333	1,109	4,197	1.18
TOTAL	35,586	125,554	37,957	28,569	20,599	24,071	111,196	0.89

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

TABLE 6. Hardwood Lumber: U.S. Exports by Country, 1984-85

Country	1984		1985					Ratio 85/84
	4th Qtr.	Total	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Total	
	1000 Board Feet							
Canada	35,590	176,634	34,576	34,525	30,862	30,595	130,558	0.74
Taiwan	10,240	42,756	8,172	10,901	13,145	14,423	46,641	1.09
Japan	14,340	50,750	10,210	9,695	11,043	12,424	43,372	0.85
Belgium/Luxembourg	6,760	25,935	6,999	6,713	5,536	5,343	24,591	0.95
West Germany	5,271	29,017	6,233	4,753	5,479	4,730	21,195	0.73
United Kingdom	5,386	22,374	4,403	4,438	4,205	4,954	18,000	0.80
Mexico	4,262	16,501	4,234	3,996	3,433	4,107	15,770	0.96
Italy	4,464	18,023	4,005	3,973	2,187	2,628	12,793	0.71
Netherlands	2,674	13,468	2,930	2,183	2,671	3,316	11,100	0.82
France	2,602	7,981	3,047	2,381	1,288	1,212	7,928	0.99
Other Countries	15,207	37,753	11,118	8,510	9,835	11,192	40,655	1.08
TOTAL	106,796	441,192	95,927	92,068	89,684	94,924	372,603	0.84

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

BEST COPY AVAILABLE

BEST COPY AVAILABLE

TABLE 7. Hardwood Veneer: U.S. Exports by Country, 1984-85

Country	1984	1985					Ratio 85/84
	4th Qtr.	Total	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Total	
	1000 Square Feet							
West Germany	83,084	404,473	61,740	58,188	60,554	95,634	276,116	0.68
Canada	40,391	211,152	37,472	40,831	34,696	32,477	145,476	0.69
Taiwan	16,502	70,175	13,524	12,116	26,199	24,411	76,250	1.09
United Kingdom	10,292	42,371	7,460	13,829	13,127	12,213	46,629	1.10
Italy	5,174	38,298	8,310	4,111	4,689	10,025	27,135	0.71
Denmark	2,147	14,022	2,314	16,195	4,510	2,329	25,348	1.81
Switzerland	13,144	31,538	9,389	5,432	6,906	2,756	24,483	0.78
Belgium/Luxembourg	2,877	29,134	7,314	8,281	4,118	4,423	24,136	0.83
Korea, South	3,235	21,066	2,600	4,600	4,694	8,036	19,932	0.95
Sweden	10,812	17,862	7,934	6,139	1,990	236	16,299	0.91
Japan	312	3,154	5,083	1,395	4,549	1,019	12,046	3.82
France	4,188	14,046	3,129	1,931	3,073	3,575	11,708	0.83
Mexico	4,916	15,428	1,023	741	868	1,970	4,602	0.30
Finland	50	3,076	3,237	0	1,038	0	4,275	1.39
Cyprus	0	0	2,655	0	150	0	2,805	NA
Sudan	0	0	2,521	0	0	0	2,521	NA
Other Countries	28,723	98,764	13,254	19,476	18,362	21,861	72,953	0.74
TOTAL	225,847	1,014,559	188,959	193,265	189,523	220,967	792,714	0.78

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

NA: Not applicable.

TABLE 8. Hardwood Plywood: U.S. Exports by Country, 1984-85

Country	1984		1985					Ratio 85/84
	4th Qtr.	Total	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Total	
	1000 Square Feet							
Canada	2,516	15,308	4,011	4,056	3,890	4,797	16,754	1.09
Mexico	1,445	4,881	1,307	3,018	2,528	2,483	9,336	1.91
Saudi Arabia	290	1,709	1,221	2,934	0	383	4,538	2.66
Trinidad and Tobago	424	1,966	121	628	365	60	1,174	0.60
Cayman Islands	343	1,255	294	312	170	338	1,114	0.89
Jamaica	26	643	12	51	212	761	1,036	1.61
Bahamas	332	832	217	184	340	248	989	1.19
British Virgin Islands	108	1,007	174	207	171	319	871	0.86
Haiti	242	542	146	205	256	168	775	1.43
Netherlands Antilles	106	767	142	99	190	331	762	0.99
West Germany	0	36	408	287	0	0	695	19.31
Netherlands	0	1,264	660	0	0	0	660	0.52
Bermuda	220	860	91	153	58	90	392	0.46
Taiwan	0	17	275	0	0	2	277	16.29
Pacific Trust Territories	0	0	98	40	88	44	270	NA
Sweden	0	156	176	0	0	0	176	1.13
Other Countries	540	5,415	210	729	1,013	2,252	4,204	0.78
TOTAL	6,592	36,658	9,563	12,903	9,281	12,276	44,023	1.20

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

BEST COPY AVAILABLE

TABLE 9. Softwood Products: U.S. Exports by Commodity, 1984-85

Commodity	1984	1985	Ratio 85/84
	Quantity		
Logs (1000 bd. ft.)	3,369,371	3,731,971	1.11
Railroad Ties (1000 bd. ft.)	24,331	2,870	0.12
Lumber (1000 bd. ft.)	1,586,187	1,504,802	0.95
Siding (1000 bd. ft.)	1,948	1,490	0.76
Flooring (1000 bd. ft.)	218	981	4.50
Molding (1000 linear ft.)	116,125	144,001	1.24
Treated Lumber, etc. (1000 bd. ft.)	10,949	8,119	0.74
Veneer (1000 sq. ft.)	356,142	307,641	0.86
Plywood (1000 sq. ft.)	370,602	320,520	0.86
Wood Chips (short tons)	2,325,163	2,317,989	1.00
Poles, Posts and Pilings (no.)	1,283,990	1,466,301	1.14
	Value ($ Million)		
Logs	1,079.2	1,169.1	1.08
Railroad Ties	7.0	0.8	0.12
Lumber	529.4	492.4	0.93
Siding	0.6	0.7	1.13
Flooring	0.1	0.2	2.26
Molding	3.8	4.6	1.22
Treated Lumber, etc.	3.8	3.0	0.78
Veneer	11.6	9.6	0.82
Plywood	86.5	75.2	0.87
Wood Chips	164.1	168.8	1.03
Poles, Piles and Posts	22.9	16.3	0.71
TOTAL VALUE	1,909.0	1,940.8	1.02

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

TABLE 10. Softwood Products: U.S. Exports by Country, 1984-85
($ Millions, f.a.s. value basis)

Country	1984	1985	Ratio 85/84
Japan	955.3	1,009.0	1.06
China	283.8	328.2	1.16
Canada	167.6	165.3	0.99
South Korea	89.7	97.3	0.62
Australia	62.4	55.5	0.69
Italy	55.1	43.3	0.79
Mexico	27.0	38.5	1.43
United Kingdom	40.3	26.6	0.66
West Germany	19.8	15.8	0.80
Netherlands	13.7	14.6	1.06
Belgium & Luxembourg	13.3	12.2	0.91
Denmark	11.9	9.1	0.76
Other Countries	169.1	125.4	0.74
TOTAL VALUE	1,909.0	1,940.8	1.02

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

BEST COPY AVAILABLE

BEST COPY AVAILABLE

TABLE 11. Softwood Logs: U.S. Exports by Country, 1984-85

Country	1984		1985					Ratio 85/84
	4th Qtr.	Total	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Total	
	1000 Board Feet							
Japan	401,206	1,751,335	456,892	457,632	90,795	488,532	1,893,851	1.08
China	290,924	866,614	165,600	378,528	317,753	207,096	1,068,977	1.23
Canada	124,438	371,288	171,541	36,604	83,427	120,479	412,051	1.11
Korea, South	72,880	287,042	92,056	83,486	75,643	73,204	324,389	1.13
Hong Kong	13,166	61,088	4,091	6,167	2,299	12,813	25,370	0.42
Taiwan	2,356	15,527	503	276	578	0	1,357	0.09
Turkey	0	2	1,016	0	0	0	1,016	508.00
Italy	139	1,625	525	212	86	330	1,153	0.71
Spain	221	1,496	100	104	100	82	386	0.26
Greece	0	0	138	0	0	12	150	NA
United Kingdom	1,913	4,192	27	23	14	0	64	0.02
Solomon Islands	0	4,603	0	0	0	0	0	0.00
Other Countries	693	4,561	632	599	933	1,043	3,207	0.70
TOTAL	907,936	3,369,373	893,121	963,631	971,628	903,591	3,731,971	1.11

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

NA: Not applicable.

TABLE 12: Softwood Lumber: U.S. Exports by Country, 1984-85

Country	1984		1985					Ratio 85/84
	4th Qtr.	Total	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Total	
	1000 Board Feet							
Japan	140,758	544,744	155,987	130,388	129,435	158,369	574,179	1.05
Canada	60,073	330,834	64,062	80,517	79,616	70,192	294,387	0.89
Australia	29,250	183,959	41,471	47,161	42,618	27,633	158,883	0.86
Mexico	33,638	90,941	17,783	25,498	31,423	34,807	109,511	1.20
Italy	16,514	88,670	21,619	21,061	13,585	21,139	77,404	0.87
Dominican Republic	8,286	23,297	5,464	9,356	5,866	8,992	29,678	1.27
United Kingdom	8,301	33,397	6,844	8,017	6,033	6,216	27,110	0.81
Spain	8,476	28,795	4,657	6,760	6,821	8,160	26,398	0.92
Jamaica	4,076	18,588	5,351	4,718	6,841	6,072	22,982	1.24
West Germany	4,895	28,113	4,227	4,066	4,430	6,073	18,796	0.67
China	11,257	34,248	6,750	10,056	0	14	16,820	0.49
French Pacific Islands	3,784	20,320	2,510	2,034	3,553	6,996	15,093	0.74
Bahamas	4,590	16,073	3,775	4,674	2,829	3,717	14,995	0.93
Trinidad and Tobago	5,206	18,801	1,900	4,341	6,104	2,226	14,571	0.78
Greece	2,185	10,026	2,710	3,389	2,563	3,954	12,616	1.26
Saudi Arabia	2,430	10,141	4,872	2,211	1,423	2,456	10,962	1.08
Other Countries	30,894	105,240	21,666	7,401	40,014	18,059	87,140	0.83
TOTAL	374,615	1,586,187	371,648	383,154	364,925	385,075	1,504,802	0.95

Source: U.S. Department of Commerce.
French Pacific Islands formerly reported as New Caledonia.
Note: Totals may not add due to rounding.

BEST COPY AVAILABLE

TABLE 13. Softwood Plywood: U.S. Exports by Country, 1984-85

Country	1984		1985					Ratio
	4th Qtr.	Total	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Total	85/84
	1000 Square Feet							
United Kingdom	22,710	102,974	36,516	8,418	9,313	11,391	65,638	0.64
Belgium/Luxembourg	9,889	48,077	22,323	5,593	7,283	14,607	49,806	1.04
Netherlands	9,661	41,558	24,788	2,499	2,209	19,119	48,615	1.17
Denmark	4,882	47,416	12,414	602	141	22,417	35,574	0.75
Canada	4,790	25,671	8,192	5,518	4,009	7,518	25,237	0.98
West Germany	1,866	14,350	3,987	4,671	5,914	6,788	21,360	1.49
Mexico	7,405	22,285	7,562	4,908	4,847	2,659	19,976	0.90
Bahamas	2,438	10,235	1,685	1,813	2,757	2,044	8,299	0.81
French Pacific Islands	2,395	9,894	576	682	2,879	2,449	6,586	0.67
Japan	1,829	6,542	1,937	1,574	1,401	1,294	6,206	0.95
Trinidad and Tobago	1,615	6,883	585	2,332	1,738	1,117	5,772	0.84
Pacific Trust Territories	764	2,761	919	1,048	608	863	3,438	1.25
France	542	5,772	698	228	308	1,684	2,918	0.51
Other Countries	5,112	26,184	3,343	6,027	4,768	6,957	21,095	0.81
TOTAL	75,898	370,602	125,525	45,913	48,175	100,907	320,520	0.86

Source: U.S. Department of Commerce.
French Pacific Islands formerly reported as New Caledonia.
Note: Totals may not add due to rounding.

TABLE 14. Wood Chips: U.S. Exports by Country, 1984-85

Country	1984		1985					Ratio 85/84
	4th Qtr.	Total	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Total	
	Short Tons							
Japan	518,683	2,191,675	550,491	549,889	575,067	493,983	2,169,430	0.99
Canada	5,379	28,445	8,141	31,944	22,527	17,466	80,078	2.82
Sweden	0	0	0	0	26,611	20,459	47,070	NA
Finland	0	101,484	0	0	0	19,699	19,699	0.19
Mexico	413	705	452	0	0	0	452	0.64
West Germany	222	547	211	0	0	0	211	0.39
Australia	358	644	0	35	0	70	105	0.16
Belgium/Luxembourg	0	132	65	0	0	0	65	0.49
Hong Kong	0	312	0	57	0	0	57	0.18
South Africa	0	246	0	0	0	0	0	0.00
Other Countries	466	973	93	467	262	0	822	0.84
TOTAL	525,521	2,325,163	559,453	582,392	624,467	551,677	2,317,989	1.00

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

NA: Not applicable.

BEST COPY AVAILABLE

BEST COPY AVAILABLE

TABLE 15. Softwood Veneer: U.S. Exports by Country, 1984-85

Country	1984		1985					Ratio 85/84
	4th Qtr.	Total	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Total	
	1000 Square Feet							
Canada	47,717	171,198	60,303	56,857	36,456	42,137	195,753	1.14
Japan	16,337	111,359	18,892	4,464	16,845	16,073	56,274	0.51
West Germany	2,998	22,978	1,880	5,639	11,601	605	19,725	0.86
Mexico	1,329	2,382	2,810	1,888	3,179	5,719	13,596	5.71
Denmark	4,873	11,947	4,737	0	219	3,316	8,272	0.69
Venezuela	0	603	1,687	1,398	0	0	3,085	5.12
Italy	406	5,455	0	1,682	251	1,353	3,286	0.60
Taiwan	313	3,672	421	211	432	0	1,064	0.29
Singapore	493	1,031	511	166	180	203	1,060	1.03
United Kingdom	720	8,598	205	539	14	304	1,062	0.12
Bahamas	514	1,097	5	370	323	325	1,023	0.93
France	2,966	5,592	0	548	0	0	548	0.10
Guatemala	0	0	246	0	0	0	246	NA
Belgium/Luxembourg	195	4,396	210	30	0	654	894	0.20
Australia	180	380	0	18	0	0	18	0.05
Jamaica	0	848	0	0	0	388	388	0.46
Other Countries	905	4,606	216	62	269	800	1,347	0.29
TOTAL	79,946	356,142	92,123	73,872	69,769	71,877	307,641	0.86

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

NA: Not applicable.

34

TABLE 16. Wood Products: U.S. Trade Balance
by Commodity, 1985
($ Thousands, f.a.s. value port of export)

Commodity	Exports	Imports	Net Balance
Softwood Logs	1,169,133	16,854	1,152,279
Hardwood Logs	91,149	3,774	87,375
Poles, Piles and Posts	16,347	12,837	3,510
Wood Chips	168,814	22,006	146,808
Softwood Lumber	492,383	2,768,651	(2,276,268)
Hardwood Lumber	247,597	147,752	99,845
Softwood Flooring	226	315	(89)
Hardwood Flooring	6,461	27,161	(20,700)
Siding	943	118,286	(117,343)
Molding	7,920	97,642	(89,722)
Treated Lumber, Flooring, Siding & Molding	2,975	12,169	(9,194)
Railroad Ties	9,881	4,062	5,819
Softwood Veneer	9,567	13,966	(4,399)
Hardwood Veneer	62,249	101,781	(39,532)
Softwood Plywood	75,220	21,790	53,430
Hardwood Plywood	10,463	440,842	(430,379)
Hardboard	24,523	51,991	(27,468)
Particleboard	24,169	141,702	(117,533)
Cellular Wood Panels	1,575	92	1,483
Gypsum & Plaster Board	9,332	80,119	(70,787)
Other Panel Products	21,426	27,434	(6,008)
Miscellaneous Wood Products	211,888	798,383	(586,495)
TOTAL	2,664,241	4,909,609	(2,245,368)

Source: U.S. Department of Commerce.

Note: May not add to totals due to rounding.

*U.S. GOVERNMENT PRINTING OFFICE: 1986-490-916:40114-PAS

BEST COPY AVAILABLE

76-5 COMPLETED 31 A67.18:WP 2-86

United States Department of Agriculture

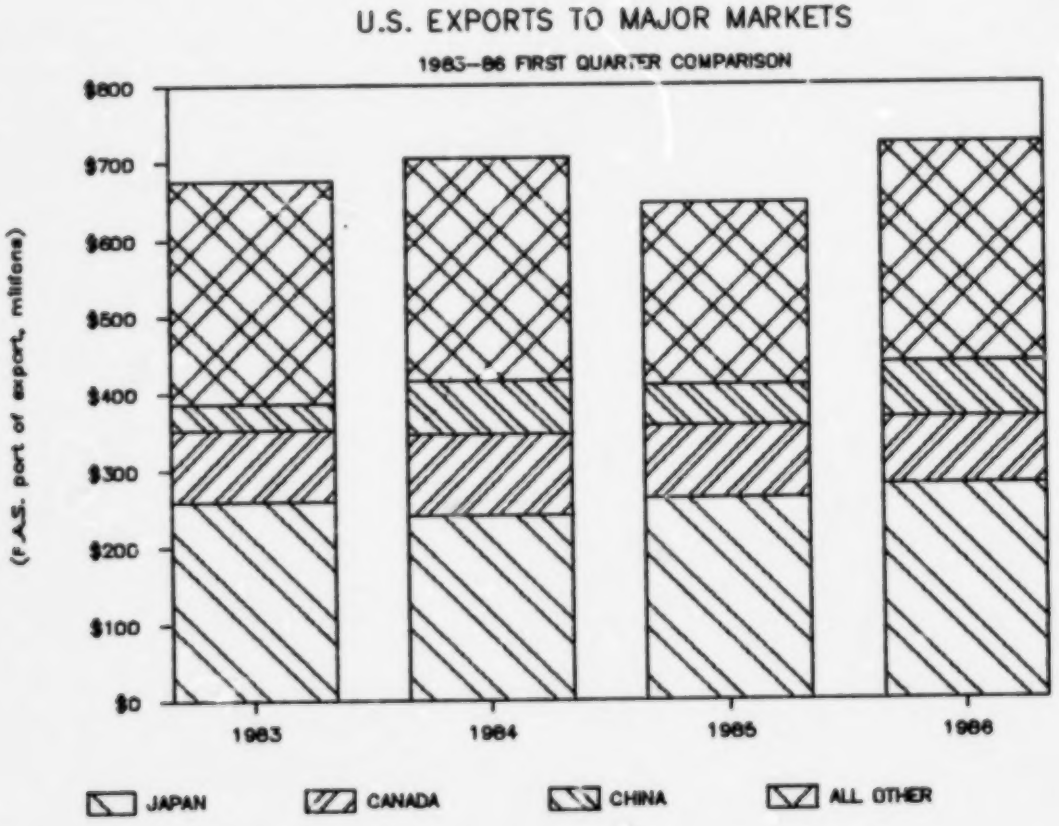
Foreign Agricultural Service

WP 2-86
May 1986

Foreign Agriculture Circular

Wood Products

International Trade and Foreign Markets



ORIGINAL

BEST COPY AVAILABLE

SUBSCRIPTION INFORMATION

Wood Products Circular

The Foreign Agricultural Service publishes quarterly circulars covering the world supply and demand situation for wood products. The circulars are available on an annual subscription basis. The charge for four issues is US$7.00 for domestic mailing, and US$10.00 for foreign mailing.

To order, send a check for the total amount payable to the Foreign Agricultural Service. Only checks on U.S. banks, cashier's checks, or international money orders will be accepted. No refunds can be made. Subscription requests should include your name, organization or firm, street or P.O. box number, city, state (or country), and zip code. Mail your request to:

Foreign Agricultural Service
Information Division
Room 4644-South Building
U.S. Department of Agriculture
Washington, D.C. 20250

Telephone: (202) 382-9445

Commodity Reports

Foreign Agricultural Service agricultural counselors and attaches report on wood product marketing and other economic information on an annual basis for 30 selected countries. The subscription price for the scheduled reports, voluntary reports, and report updates is US$90.00 for the year ending May 1987. Checks (payable to the Foreign Agricultural Service) should be sent to:

Reports Officer
Foreign Agricultural Service
U.S. Department of Agriculture
Room 6058-South Building
Washington, D.C. 20250

Telephone: (202) 382-8924

WOOD PRODUCTS: INTERNATIONAL TRADE AND FOREIGN MARKETS
JANUARY-MARCH, 1986

CONTENTS

	Page
SUBSCRIPTION INFORMATION	2
SUMMARY	4
HARDWOOD	5
SOFTWOOD	6
RECENT DEVELOPMENTS	
Japan: Wood Chip Situation	8
France's Largest Wood Panel Manufacturer Declared Bankrupt	9
U.S. Industry Injured by Canadian Shake and Shingles Imports	9
Housing Starts in Japan Estimated at 1.27 Million Units in 1986	10
U.S. Imports of Woodworking Machinery Double Since 1983	10
1986 EC Softwood Plywood Quota	11
REPORTS FROM OVERSEAS	
Dominican Republic	11
Federal Republic of Germany	13
Hungary	14
Malaysia	15
Sweden	15
TABLES	
TABLE 1A. Wood Products: Quantity of U.S. Exports by Commodity, 1982-86	17
TABLE 1B. Wood Products: Value of U.S. Exports by Commodity, 1982-86	18
TABLE 2. Wood Products: U.S. Exports by Country, 1982-86	19
TABLE 3. Hardwood Products: U.S. Exports by Commodity, 1984-86.	20
TABLE 4. Hardwood Products: U.S. Exports by Country, 1984-86	21
TABLE 5. Hardwood Logs: U.S. Exports by Country, 1985-86	22
TABLE 6. Hardwood Lumber: U.S. Exports by Country, 1985-86	23
TABLE 7. Hardwood Veneer: U.S. Exports by Country, 1985-86	24
TABLE 8. Hardwood Plywood: U.S. Exports by Country, 1985-86	25
TABLE 9. Softwood Products: U.S. Exports by Commodity, 1984-86.	26
TABLE 10. Softwood Products: U.S. Exports by Country, 1984-86	27
TABLE 11. Softwood Logs: U.S. Exports by Country, 1985-86	28
TABLE 12. Softwood Lumber: U.S. Exports By Country, 1985-86	29
TABLE 13. Softwood Plywood: U.S. Exports By Country, 1985-86	30
TABLE 14. Wood Chips: U.S. Exports By Country, 1985-86	31
TABLE 15. Softwood Veneer: U.S. Exports By Country, 1985-86	32
TABLE 16. Wood Products: U.S. Trade Balance by Commodity, January - March, 1986	33

BEST COPY AVAILABLE

SUMMARY

U.S. exports of wood products at $721 million for January-March, 1986, showed strong increases across most major product categories. With U.S. exports up $75 million or nearly 12 percent over the first quarter in 1985, purchasers of U.S. wood products responded to favorable trade opportunities afforded by a more competitive dollar. U.S. softwood lumber and softwood plywood exports for the first quarter of 1986 rose $27 million and $16 million, respectively, over the same period last year. Despite increased domestic demand for wood products, U.S. exports are expected to remain strong well into the current year.

Exports from the United States to major markets of the European Community (EC), most notably the United Kingdom, West Germany, the Netherlands, Italy, and Belgium/Luxembourg were well over last year's first quarter levels. U.S. hardwood product exports to the United Kingdom doubled chiefly on the strength of UK imports of hardwood lumber. Elsewhere in the world, China's demand for softwood logs continues to grow, albeit this demand is likely to slacken as China planners make decisions regarding the allocation of increasingly scarce hard currency reserves over a wide range of import needs.

U.S. imports of wood products for January-March, 1986, were $1,195 million, up 8.5 percent or $94 million over the same period last year. Canadian exports to the United States reached $858 million in the first quarter. Softwood lumber from Canada totaled $646 million or 3,374 million board feet. The United States imported hardwood plywood valued at $136 million dollars mostly from Indonesia and Taiwan.

U.S. WOOD EXPORT RESULTS FOR JANUARY-MARCH, 1986
(F.A.S. value basis, in millions of dollars)

	Japan	Canada	China	Other	Total
Softwood logs	160.6	17.5	69.9	20.5	268.4
Softwood lumber	60.3	17.6	1.1	70.3	149.3
Softwood plywood	0.6	1.0	0.0	42.6	44.2
Hardwood logs	3.7	2.4	0.0	25.3	31.5
Hardwood lumber	10.1	17.6	0.0	50.0	77.6
Hardwood plywood	0.0	0.5	0.0	43.6	44.1
Other products	43.7	30.9	0.2	31.4	106.3
Total	279.0	87.5	71.2	283.7	721.4

Major changes in U.S. export performance between the first quarter of 1985 and 1986 included:

- U.S. exports at $721 million reached a 4-year high for the first quarter of 1986.
- Average export values for softwood logs increased a modest 4 percent from $297 per thousand board feet in the first quarter of 1985 to $309 per thousand board feet in the first quarter of 1986.

- Average export values for hardwood logs increased 10.5 percent, or $80 per thousand board feet to $847 per thousand board feet.

- The EC softwood plywood quota filled rapidly in the first quarter. Softwood plywood imported over the limit of 16,234 thousand square feet (3/8" basis) must pay an import duty of 10.4 percent.

HARDWOOD

Total hardwood export trade for the first quarter of 1986 was $135 million, up 20 percent or $22.5 million over last year's $112.5 million. U.S. hardwood lumber exports of $77.6 million, or 112.0 million board feet, accounted for nearly 19 percent of total wood export trade in the first quarter of 1986. The value of U.S. hardwood exports was up across each major hardwood product category with the largest percentage gains being scored by siding, flooring, and plywood. First quarter U.S. hardwood lumber exports increased 16.7 percent over the same period last year.

The following table shows first quarter hardwood lumber exports by species:

($1,000, F.A.S. Port of Export)

Maple	3,095
Red Oak	36,113
White Oak	18,659
Ash	3,555
Walnut	1,627
Other	14,582
Total	77,631

In the first quarter of 1986, Canada, Taiwan, and Japan imported hardwood lumber valued at $17.6 million, $12.7 million, and $10.1 million, respectively. These three markets accounted for more than half the U.S. export total for this commodity group.

BEST COPY AVAILABLE

The EC received 29 percent of U.S. hardwood lumber exports in the first quarter. The following table shows these lumber exports to members of the EC:

Country	Jan.-March 1985	Jan.-March 1986
	($1,000, F.A.S. Port of Export)	
Benelux	5,265	6,125
Denmark	345	530
Germany	5,201	5,233
Greece	27	107
France	297	380
Ireland	3,113	3,690
Italy	1,897	2,494
Portugal	0	15
Spain	1,188	20,809
Total EC	17,333	20,809
World	61,812	77,631

SOFTWOOD

Softwood exports for the first quarter of 1986 were valued at $509.0 million, up nearly 9 percent from the same period in 1985. While logs remained the principal export commodity, there was a marked increase in shipments of processed, value-added products, most notably lumber and plywood. Shipments of logs, lumber, and plywood accounted for 53, 29, and 9 percent, respectively, of the $509.0 million total.

Exports of softwood logs to Japan, the leading U.S. softwood export market, were valued at $160.6 million, essentially unchanged from a year earlier. Shipments to China, however, jumped 39 percent to $69.9 million.

Logs

Softwood log exports in the first quarter of 1986 totaled 869.8 million board feet valued at $268.4 million. The volume of exports decreased 3 percent compared to the first quarter of 1985 while the associated value increased one percent. Exports to Japan, the top U.S. market, totaled 441.2 million board feet, down 3 percent. Shipments to China rose 43 percent above first quarter 1985 levels to reach 236.5 million board feet (see table 11).

Douglas-fir (440.1 million board feet), western hemlock (255.2 million board feet), and spruce (126.0 million board feet) were the major species exported. Shipments of western hemlock and spruce declined 3 and 25 percent, respectively, while Douglas-fir exports rose 4 percent compared to first quarter 1985 levels.

BEST COPY AVAILABLE

Lumber

Softwood lumber exports totaled 468.5 million board feet and were valued at $149.3 million, an increase of 26 and 22 percent, respectively, from first quarter 1985 levels. Sales to Japan, the top U.S. softwood lumber market, accounted for nearly 43 percent of the export total, while shipments to Canada, the second leading market, rose 35 percent to equal 86.2 million board feet. Exports to Mexico soared 73 percent to 30.8 million board feet (see table 11).

Major species exported were Douglas-fir (135.9 million board feet), hemlock (130.1 million board feet), and spruce (42.2 million board feet).

Plywood

Softwood plywood exports totaled 207.2 million square feet in the first quarter of 1986, up 65 percent from the same period in 1985 (see table 13). These shipments were valued at $44.2 million. Increased shipments to the EC nations accounted for over 94 percent of the increased exports. The following table shows exports of softwood plywood to selected EC countries:

Country	Jan.-March 1985	Jan.-March 1986
	(1,000 square feet)	
United Kingdom	36,516	49,355
Netherlands	24,788	46,705
Denmark	12,414	31,135
Belgium/Luxembourg	22,323	24,693
West Germany	3,987	20,056

SOURCE: U.S. Department of Commerce.

Wood Chips

Wood chips exports totaled 507.4 thousand short tons in the first quarter of 1986 and were valued at $37.2 million. The export volume was down 9 percent from the comparable 1985 period, while the value of shipments fell 11 percent. Nearly 87 percent of the export volume went to Japan. Sweden, which imported no wood chips during the 1985's first quarter, imported 20.7 thousand short tons.

RECENT DEVELOPMENTS

Japan: Wood Chip Situation

Japan is the world's largest importer of pulpwood logs and wood chips. World imports of wood chips were valued by the Food and Agriculture Organization of the United Nations (FAO) at $913.5 million in 1983. Japanese imports were $786.8 million. Imports account for about 55 percent of Japan's pulpwood requirements. The following table gives recent data for Japan's wood chip imports.

	1980	1981	1982	1983	1984	1985
Total (1,000 CUM)	15,936	12,508	11,325	11,402	12,152	11,812
Total (1,000 MT)	7,996	6,276	5,761	5,859	6,274	6,049
(% share, MT basis)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Australia	28.6%	32.5%	36.5%	38.0%	37.9%	na
United States	49.7%	42.0%	38.0%	36.3%	33.9%	na
Canada	5.9%	7.1%	6.1%	6.4%	8.0%	na
USSR	3.0%	3.9%	3.3%	2.9%	2.7%	na
New Zealand	2.1%	3.3%	4.2%	4.3%	5.0%	na
South Africa	na	5.1%	6.2%	6.6%	6.3%	na
Others	na	6.1%	5.9%	5.4%	6.3%	na

Source: 1980, based on FAO Yearbook.
1981-84, FAS Report JA4124 & JA5133.
1984-85, Japan Lumber Reports, 3-14-86.

In late 1985, Japan and the Soviet Union signed the second Pulpwood Development Agreement whereby Japan is to import a total of 8.2 million cubic meters of wood chips plus 3.0 million cubic meters of hardwood pulp logs from the Soviet Union over a 10-year period beginning in 1986. The Soviet Union is to buy Japanese wood chip production equipment amounting to about $100 million over a five-year period beginning in 1986.

This arrangement follows the first agreement which was in effect from 1971 to 1981 and was not immediately renewed because of negotiations on quality and prices. During that period, Japan continued to buy Soviet chips of about 400,000 cubic meters per year. The new agreement calls for shipments of 600,000 cubic meters in 1986 to be increased by 50,000 cubic meters each year.

Over the next 10 years, an average of 800,000 cubic meters of wood chips from the Soviet Union would mean a doubling of recent years' volumes. Japanese projections of raw material requirements for the paper industry indicate an increase of some 24 percent during the 1986-96 period.

BEST COPY AVAILABLE

France's Largest Wood Panel Manufacturer Declared Bankrupt

According to recent articles in the French press, Isoroy, the major producer of wood panels in France, has been declared bankrupt by the Court of Commerce of Caen, a town in the Normandy region near Isoroy's headquarters. The court has named three temporary administrators to examine offers made by other firms wishing to acquire Isoroy. The company's failure comes at a time of depressed activity in the French housing construction sector and stiff competition from imported wood panel products.

Created by a merger of three firms in late 1982, Isoroy produces annually approximately 520,000 cubic meters of particleboard, 143,000 cubic meters of fiberboard, and 93,000 cubic meters of hardwood plywood. These figures represent roughly one-third of the French output of particleboard, 60 percent of the fiberboard production, and the bulk of hardwood plywood output. Possible changes in Isoroy's production in future months could affect the pattern of French production and trade of these products significantly.

U.S. exports of particleboard, hardwood plywood, and fiberboard to France have not been significant to date. U.S. Department of Commerce trade data indicate that no hardwood plywood was exported to France during 1985 or the first quarter of 1986. Only a small amount of particleboard, approximately 212 cubic meters, was shipped to France in 1985 and, through the first three months of 1986, exports declined 41 percent compared to the same 1985 period.

U.S. Industry Injured by Canadian Shake and Shingle Imports

On February 26, 1986, the U.S. International Trade Commission (USITC) voted 4-2 that wood shakes and shingles are being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or threat thereof, to the domestic industry. On March 18, three of the six Commissioners voted to recommend that a 35-percent tariff, over five years, be placed on imports of western red cedar shakes and shingles; two Commissioners voted to recommend trade adjustment assistance (with one dissenting from the affirmative injury determination and one voting to recommend no relief). Presently, there is no duty applied to imports of wood shakes and shingles.

The USITC submitted its report to the President on March 25, 1986. Section 202(b) of the Trade Act requires the President to "determine what methods and amount of import relief he will provide, or determine that provision of such relief is not within the national economic interest" within 60 days after receipt of the USITC report. Thus, a decision must be made by May 25, 1986.

BEST COPY AVAILABLE

Housing Starts in Japan Estimated at 1.27 Million Units in 1986

Housing starts in Japan rose 4 percent to 1.236 million units in 1985, with all of the gain in nonwood frame construction. Wood frame housing starts declined to 591,911 units, continuing a long-term trend. Wood frame starts represented less than 48 percent of total starts in 1985. A Japanese forecast for 1986 calls for total starts of 1.27 million units, of which about 45 percent are expected to be wood frame.

One segment of the housing market which has shown growth in recent years is the prefabricated sector. In 1984, prefabricated housing units numbered 182,497 units, 15.1 percent of total housing starts compared to 152,433 units, 12.6 percent in 1980. Steel frame units dominate this output and appear to be increasing at the expense of concrete framed housing. Wood framed prefabricated houses account for about 20 percent of this segment. Proponents of this type of house construction have high hopes for further inroads into the domestic housing market and for export markets as well.

U.S. Imports of Woodworking Machinery Double Since 1983

U.S. imports of woodworking machinery have more than doubled in the last two years. Total U.S. imports of sawmill machines, plywood, and veneer equipment reached $24.9 million in 1985. Import gains were accounted for principally by West Germany, Canada, and Italy. The machinery imported from these three countries was purchased for its technical features and was competitively priced in part due to the strength of the U.S. dollar.

U.S. Imports of Woodworking Machinery, 1983-85
(Customs value basis, in thousands of dollars)

	1983	1984	1985
West Germany	2,909	5,383	8,161
Canada	6,811	7,106	5,860
Italy	820	4,893	3,676
Austria	0	1,980	2,761
All others	1,821	1,378	4,416
Total	12,361	20,740	24,874

Source: U.S. Department of Commerce.

In 1985, Canada was the largest receiver of U.S. exports of sawmill, veneer, particleboard, and plywood equipment, accounting for 65 percent or $11.5 million of the $17.5 million dollars in trade.

1986 EC Softwood Plywood Quota

As of May 6, the United Kingdom had exhausted its share of the no-duty coniferous plywood quota, making it the last EC nation to do so. U.S. suppliers were able to significantly increase shipments to the EC during the first three months of 1986 compared to the first quarter of last year (see table 13). Most, if not all, of the softwood plywood shipped during this period entered under the duty-free quota. Now that the EC quota has been filled, U.S. plywood exports to the EC are expected to fall off, at least until the fourth quarter when EC importers will begin taking deliveries to be applied to the 1987 quota. Softwood plywood exports to the EC, beyond the quota limit, are levied a 10.4 percent ad valorem tariff.

REPORTS FROM OVERSEAS

Dominican Republic

According to the Agricultural Attache in Santo Domingo, the Dominican Republic has been involved since 1983 in a continued effort to stabilize and correct major distortions in its economy. In 1985, the government implemented a strict austerity program which included reduced deficit spending, increased revenues, tight credit, and the unification of the foreign exchange rate from the official one dollar for one peso (US$1 = RD$1) to the free market rate (approximately US$1 = RD$3).

Foreign suppliers of wood products have seen the Dominican Republic market for wood and wood products shrink in recent years. Total imports in 1984 decreased 28.2 percent from US$25.36 million to US$18.2 million. The major reason for the decline has been the higher cost of imports due to the exchange rate unification, the customs valuation of imports at the prevailing exchange rate, and a 6-percent value-added tax.

The types of wood products imported by the Dominican Republic in 1984 included sawn pine lumber ($5.1 million), rough pine lumber ($4.4 million), plywood ($3.2 million), railroad ties ($1.7 million), sawn mahogany lumber ($1.5 million), simply squared pine lumber ($.8 million), other sawn hardwoods ($.6 million), rough mahogany lumber ($.2 million), other rough hardwood lumber ($.2 million), and particleboard ($.1 million).

The U.S. supplies over 60 percent of the wood and wood products imported by the Dominican Republic. U.S. southern yellow pine dominates the softwood lumber market. Exports of U.S. southern pine lumber to the Dominican Republic over the past several years have accounted for 65-70 percent of total U.S. wood products shipments. U.S. southern pine lumber imports by the Dominican Republic reached a high of 34.8 million board feet in 1983 which consisted of approximately 60 percent rough and 40 percent dressed and worked. The closest competitor is Chile which has increased its market share slightly in recent years by providing a lower-priced product which is reputed to be of lower quality. Lumber imports from Honduras and Guatemala have virtually ceased because shipments from those countries do not meet Dominican phytosanitary import requirements.

Dominican Republic: Imports of Wood and Wood Products
by Country of Origin, 1983-1985

	Jan.-June, 1983		Jan.-June, 1984		Jan.-June, 1985	
	Value ($1,000)	Share (%)	Value ($1,000)	Share (%)	Value ($1,000)	Share (%)
U.S.	16,170	63.7	11,541	63.4	5,094	65.2
Chile	2,942	11.6	2,229	12.3	1,041	13.3
Honduras	332	1.3	-	0	77	1.0
Taiwan	2,812	11.1	1,217	6.7	266	3.4
Belize	925	3.6	487	2.7	373	4.8
Surinam	687	2.7	1,456	8.0	169	2.2
Korea	784	3.2	419	2.3	141	1.8
Brazil	-	0	450	2.5	525	6.7
Japan	-	0	242	1.3	-	0
Others	711	2.8	154	.8	130	1.6
Total	25,363	100.0	18,195	100.0	7,816	100.0

SOURCE: National Statistics Office.

Belize is a major competitor in the hardwood lumber market, accounting for approximately 45 percent of the market, compared to 55 percent for the United States. Taiwan dominates the plywood market with a 40-percent market share, compared to 30 percent by the United States. Korea and Brazil are also major suppliers of plywood. Price has been the major determinant enabling these countries to provide acceptable products for the local market. Surinam is the major supplier of railroad ties.

Imports of wood and wood products have been adversely affected by the current economic situation and adjustment process in the Dominican Republic. The Dominican housing industry should gradually improve and imports of wood and wood products will increase, if it can continue to control its internal economy and if the international economy remains stable or improves.

U.S. shippers must submit a consular invoice, commercial invoice, bill of lading (or AWB), and a sanitary certificate from USDA stating that the wood is in satisfactory condition for export.

Wood and wood products pay a 25-percent duty on the F.O.B. value, plus a 4-percent surcharge on the import duties paid, plus a 6-percent value-added tax on the C.I.F. value plus all previous taxes paid.

Wood or wood products imported and used to manufacture products for such exports as furniture may enter the Dominican Republic duty free if the finished product is exported within 12 months. Large wood importers are acting as agents for furniture manufacturers who cannot import large quantities independently.

BEST COPY AVAILABLE

Federal Republic of Germany

Domestic prices for oak logs in Germany posted a slight increase in 1985 while softwood log prices declined, in some cases significantly. Despite the increase in the oak category, overall prices remain relatively low in the German wood products industry. This is largely the result of a depressed domestic construction industry and the continuing over-supply situation brought about by a 1984 storm which resulted in wind damage in excess of 11 million cubic meters. The effects of another storm in early January 1986, which damaged an additional 2 million cubic meters of wood, could keep prices at the current depressed levels.

Germany's Index of Producer Prices
(1980 = 100)

Product	1982	1983	1984	1985	% Change 1984 to 1985
Sawlogs & veneer logs					
- Oak	89.1	89.5	94.8	98.1	+ 3.5
- Beech	108.0	105.8	106.0	106.0	---
- Spruce	98.3	91.1	92.5	80.2	-13.3
- Pine	101.7	96.8	97.5	96.1	- 1.4

SOURCE: Federal Ministry of Agriculture.

For the first quarter of 1986, overall U.S. solid wood exports to the German market were valued at $37.4 million, up 38 percent from the same period of a year ago. Hardwood products accounted for 70 percent of the total value of shipments and, as a group, were up 26 percent from first quarter 1986. The following table highlights U.S. shipments of selected commodities to Germany during the first quarter of 1985 and 1986:

Commodity	Jan.-March 1985	Jan.-March 1986
	(US$1,000)	
Hardwood logs	9,931	13,580
Softwood lumber	2,260	3,710
Hardwood lumber	5,201	5,233
Hardwood veneer	5,428	7,246
Softwood plywood	610	3,738
All others	3,771	3,918
Total	27,201	37,425

SOURCE: U.S. Department of Commerce.

While numerous factors have contributed to this significant increase in U.S. exports, certainly of major importance has been the decline in the value of the U.S. dollar which has enhanced U.S. competitiveness abroad. It is apparent from the trade data that U.S. suppliers, because of increased competitiveness, were able to capture a greater share of Germany's 1986 duty-free softwood plywood quota.

Hungary

According to the Agricultural Counselor in Austria, approximately 18 percent (1,495,300 hectares) of Hungary's land area is covered by forests with hardwood species comprising 85 percent of the timber base. Seventy-four percent of the total timber land is controlled by the State, 25 percent belongs to agricultural cooperatives, and the remaining 1 percent is in private ownership.

From 1980-1985, annual fellings in Hungary ranged from 7.5 to 8.0 million cubic meters. Fellings in 1985 totaled 7.86 million cubic meters, similiar to 1984's level. Overall production in the wood products industry is reportedly stagnant due to weak demand in both the domestic and international markets. Declining wood usage in Hungary has come about, in part, as a result of a depressed furniture industry, better stock controls by the industry, and better utilization of raw materials. Strict hard currency expenditure controls and high taxes have, in the face of declining profits, severely limited the funds available for the development and modernization of Hungary's forest products industry.

Hungarian Production of Selected Wood Products, 1983-1985

Commodity	1983	1984	1985 1/
		(1,000 cubic meters)	
Softwood sawnwood	323	394	400
Hardwood sawnwood	387	332	500
Plywood	97	94	90
Particleboard	291	265	255

1/ Planned. Actual production figures may vary significantly.

SOURCES: 1984 Monthly Statistics 1985/11; Central Stat. Office, Hungary
1985 Articles of "Erd Gazdalkodas Es Faipar" (Forestry and Wood Industry Review), 1985.

Due to a lack of adequate processing facilities, approximately 40 percent of all domestically produced hardwood logs are exported. In sharp contrast, an estimated 90 percent of Hungary's softwood needs must be met through imports, primarily from the Soviet Union. However, growing domestic utilization in the Soviet Union has reportedly resulted in the establishment of exports quotas in that country, thus reducing the amount available to Hungary and other traditional customers. While the Soviet Union remains Hungary's dominant supplier, Austria, Finland, and Czechoslovakia are gaining in the Hungarian market.

Malaysia

A recent report on Malaysia's forest product industry describes some distinctions between the three major producing areas of Peninsular Malaysia, Sabah, and Sarawak. The table below on exports summarizes major areas of concentration of the three regions.

Malaysian Exports of Forest Products, 1984
(1,000 cubic meters)

Commodity	Total	Peninsular Malaysia	Sabah	Sarawak
Tropical hardwood logs	16,672	59	7,632	8,981
Tropical hardwood lumber	2,816	1,832	854	130
Tropical hardwood veneer	567	43	495	29
Tropical hardwood plywood	371	325	31	15
Hardwood siding & molding	202	202	0	0
Total products	20,628	2,461	9,012	9,155
Value ($1,000)	1,856	448	820	588

While log output from the three regions is roughly comparable at 10-11 million cubic meters annually, it is clear that Peninsular Malaysia is dominant in the export of hardwood lumber and has the most diversity of product. Sabah also has developed substantial processing capacity while Sarawak is heavily oriented toward export of unprocessed logs.

The domestic processing industry in Sarawak is largely undeveloped compared to Sabah and Peninsular Malaysia. During the 1970's, the Timber Industry Development Plan (TIDP) recommended the formation of 12 integrated timber complexes which would include construction of sawmills, veneer and plywood mills, and blockboard and particleboard plants. Each of these complexes would have large land concessions from which to draw logs. Due to a slowdown in the timber trade, the pace of development of these projects has been delayed. To date, only a handful of sawmills have been built. It is expected that further development of the timber plan will come only with improvement in export market prices of lumber and other processed wood products.

Sweden

Sweden's forestry sector contributes approximately 1.5 percent to the country's annual gross domestic product (GDP). Direct employment in the forest products industries (excluding paper and allied products) in 1985 was about 44,600 workers in forestry and 24,000 in the sawmilling industry. In addition, forestry is an important source of income for many Swedish farmers, since roughly 70 percent of them combine farming with forestry.

BEST COPY AVAILABLE

According to the Agricultural Attache in Stockholm, total fellings for 1986 are forecast at 64.7 million cubic meters, up nearly 3 percent from the previous year. Preliminary results from a study on potential fellings suggest that an annual harvest of 75 million cubic meters is possible. Structural problems and general uncertainty about the market conditions are thought to be the main reasons why actual fellings are not closer to the potential harvest.

Timber sales in Sweden are handled by forest owner associations which negotiate with industry buyers, with price lists established for the various regions of the country. At last report, the 1985/86 negotiations had not been concluded. Until such time as a new agreement is reached, the prices prevailing during the 1984/85 season will, for the most part, continue to be observed. Given the substantial timber price increases in Sweden prior to the 1985/86 season and last year's overall weakening in lumber and pulp prices, it is believed that the industry is pushing hard for price reduction or, at the very least, for no further increases.

For 1986, Sweden's exports of lumber are expected to reach approximately 8.0 million cubic meters, the same as in 1985. Sweden exports mainly rough sawn spruce and pine lumber. Spruce export prices increased during 1985 by about 65 krona per cubic meter and a further increase, reportedly 50 krona per cubic meter, has been negotiated for 1986 deliveries. Pine lumber prices remain under pressure due to large supplies and overall weak demand.

Inventories of air pollution damage and acidification of the soil to forests show that relatively small areas are affected. Damaged areas are limited to the south and southwest of Sweden which is also the area most affected by pollution "imported" from the European continent and the United Kingdom. While there is no indication that timber output is being affected by the pollution, this issue remains a topic of much concern.

With the recent resumption of shipments of wood chips to Sweden, the value of U.S. exports posted an 87-percent increase during the first quarter of 1986, compared to the same period a year earlier. Exports were valued at $1.6 million, with wood chips accounting for 70 percent of the total.

BEST COPY AVAILABLE

TABLE 1A. Wood Products: Quantity of U.S. Exports by Commodity, 1982-86

Commodity	1982	1983	1984	1985	1st Quarter 1985	1st Quarter 1986
Softwood Logs (M bd. ft.)	3,114,988	3,390,618	3,369,371	3,731,971	893,121	869,794
Hardwood Logs (M bd. ft.)	93,161	111,508	125,554	111,196	37,957	37,155
Poles, Piles, Posts, and Pitprops (no.)	2,765,684	1,917,247	1,283,990	1,466,301	1,130,892	232,391
Wood Chips (short tons)	2,860,133	2,514,176	2,325,163	2,317,989	559,453	507,401
Softwood Lumber (M bd. ft.)	1,615,430	1,733,771	1,586,187	1,504,802	371,648	468,478
Hardwood Lumber (M bd. ft.)	334,304	447,989	441,192	372,603	95,927	111,985
Softwood Flooring (M bd. ft.)	255	258	218	981	0	332
Hardwood Flooring (M bd. ft.)	21,406	29,209	24,664	23,284	6,623	5,859
Softwood Siding (M bd. ft.)	2,502	2,666	1,948	1,490	236	388
Hardwood Siding (M bd. ft.)	497	968	655	1,201	103	191
Softwood Molding (M linear feet)	142,169	182,704	116,125	144,001	35,102	47,398
Hardwood Molding (M linear feet)	65,602	17,797	25,806	23,506	5,297	13,176
Treated Lumber, Siding Flooring and Molding (M bd. ft.)	12,047	7,828	10,949	8,119	2,524	1,674
Softwood Railroad Ties (M bd. ft.)	4,632	11,095	24,331	2,870	443	99
Hardwood Railroad Ties (M bd. ft.)	29,733	36,150	60,289	29,997	3,182	4,440
Softwood Veneer (M sq. ft.)	336,739	414,964	367,752	307,641	92,123	73,145
Hardwood Veneer (M sq. ft.)	803,647	1,023,769	1,002,264	792,714	188,959	214,926
Softwood Plywood (M sq. ft.)	451,714	573,663	370,602	320,520	125,525	207,188
Hardwood Plywood (M sq. ft.)	41,260	41,135	36,658	44,023	9,563	17,733
Hardboard 1/ (See note)	46,793	60,405	63,865	192,090	41,561	64,691
Particleboard (M sq. ft.)	82,214	94,615	108,400	118,780	24,962	40,189
Other Panel Products 2/ (M sq. ft.)	137,645	154,646	160,262	131,570	35,877	48,906
Miscellaneous Wood Products 3/						

1/ Includes fiberboard with a density equal to or greater than 31 pounds per cubic foot.
2/ Includes laminated boards and fiberboards with a density less than 31 pounds per cubic foot.
3/ The various units of quantity included in this category make the total meaningless.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Hardboard is shown in short tons for 1981-84 and in thousand square feet for 1985-present.

TABLE 1B. Wood Products: Value of U.S. Exports by Commodity, 1982-86

Commodity	1982	1983	1984	1985	1st Quarter 1985	1st Quarter 1986
	$ Thousands, F.A.S. port of export					
Softwood Logs	1,174,180	1,068,481	1,079,202	1,169,133	265,739	268,445
Hardwood Logs	83,905	98,063	100,709	91,149	29,104	31,476
Poles, Piles, Posts, and Pitprops	27,290	24,724	22,945	16,347	4,843	4,768
Wood Chips	231,140	171,269	164,058	168,814	41,656	37,223
Softwood Lumber	574,838	600,859	529,406	492,383	122,279	149,305
Hardwood Lumber	216,133	287,896	282,132	247,597	61,812	77,631
Softwood Flooring	133	60	58	226	0	76
Hardwood Flooring	5,583	6,694	5,716	6,461	1,501	1,837
Softwood Siding	737	922	561	678	121	130
Hardwood Siding	162	357	398	265	27	52
Softwood Molding	3,256	5,891	3,816	4,646	1,027	1,721
Hardwood Molding	2,119	2,012	2,272	3,274	705	1,290
Treated Lumber, Siding Flooring and Molding	4,659	2,640	3,799	2,975	1,118	662
Softwood Railraod Ties	1,369	4,398	7,005	844	123	31
Hardwood Railroad Ties	7,126	9,826	11,600	9,037	838	1,142
Softwood Veneer	11,385	13,602	11,729	9,567	2,675	2,459
Hardwood Veneer	73,050	93,098	81,897	62,249	16,184	17,538
Softwood Plywood	107,249	135,724	86,526	75,220	28,680	44,205
Hardwood Plywood	9,468	7,486	7,953	10,463	2,378	4,072
Hardboard 1/	13,920	17,949	19,576	24,523	5,297	6,783
Particleboard	19,561	22,724	26,198	24,169	4,764	7,437
Other Panel Products 2/	30,962	32,248	35,228	32,333	8,609	11,930
Miscellaneous Wood Products 3/	237,224	216,034	205,758	211,888	46,667	51,205
TOTAL, SELECTED COMMODITIES	2,835,449	2,822,957	2,688,542	2,664,241	646,147	721,418

1/ Includes fiberboard with a density equal to or greater than 31 pounds per cubic foot.
2/ Includes laminated boards and fiberboards with a density less than 31 pounds per cubic foot.
3/ Includes such products as wood waste, pulpwood, building components, containers, and small industrial and household woodenware.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Totals may not add due to rounding.

TABLE 2. Wood Products: U.S. Exports by Country, 1982-86

Principal Markets	1982	1983	1984	1985	1st Quarter 1985	1st Quarter 1986	Ratio 1st Qtr. 86/85
	$ Million, F.A.S. port of export						
Japan	1,276.6	1,079.5	1,021.1	1,068.7	262.7	279.0	1.06
Canada	287.4	404.3	381.3	342.4	94.7	87.5	0.92
China	217.0	235.7	287.8	328.9	52.9	71.2	1.35
West Germany	141.5	172.5	129.7	99.3	27.2	37.4	1.38
United Kingdom	62.8	93.0	80.5	60.5	19.5	30.0	1.54
South Korea	98.8	114.4	106.1	117.8	31.5	26.7	0.85
Taiwan	22.2	42.3	65.0	72.6	14.1	24.7	1.75
Italy	84.6	100.1	83.4	66.3	20.4	20.9	1.03
Mexico	56.6	39.4	58.7	76.0	15.5	18.8	1.21
Netherlands	34.5	45.8	30.5	27.9	11.3	18.2	1.62
Belgium/Luxembourg	67.0	69.2	42.6	39.3	12.7	15.8	1.24
Australia	43.8	55.4	68.8	64.0	15.4	13.6	0.89
SUBTOTAL	2,392.9	2,451.7	2,355.5	2,363.6	577.9	643.9	1.11
WORLD TOTAL	2,835.5	2,823.0	2,688.5	2,664.2	646.1	721.4	1.12

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

TABLE 3. Hardwood Products: U.S. Exports by Commodity, 1984-86

COMMODITY	1984	1985	1st Quarter 1985	1st Quarter 1986	Ratio 1st Qtr. 86/85
	QUANTITY				
Logs (1000 bd. ft.)	125,554	111,196	37,957	37,155	0.98
Railroad Ties (1000 bd. ft.)	60,289	29,997	3,182	4,440	1.40
Lumber (1000 bd. ft.)	441,192	372,603	95,927	111,985	1.17
Siding (1000 bd. ft.)	655	1,201	103	191	1.85
Flooring (1000 bd. ft.)	24,664	23,284	6,623	5,859	0.88
Molding (1000 linear ft.)	25,806	23,506	5,297	13,176	2.49
Veneer (1000 sq. ft.)	1,002,264	792,714	188,959	214,926	1.14
Plywood (1000 sq. ft.)	36,658	44,023	9,563	17,733	1.85
	VALUE ($ Million)				
Logs	100.7	91.1	29.1	31.5	1.08
Railroad Ties	11.6	9.0	0.8	1.1	1.36
Lumber	282.1	247.6	61.8	77.6	1.26
Siding	0.4	0.3	0.0	0.1	1.93
Flooring	5.7	6.5	1.5	1.8	1.22
Molding	2.3	3.3	0.7	1.3	1.83
Veneer	81.9	62.2	16.2	17.5	1.08
Plywood	8.0	10.5	2.4	4.1	1.71
TOTAL VALUE	492.7	430.5	112.6	135.0	1.20

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

TABLE 4. Hardwood Products: U.S. Exports by Country, 1984-86
(\$ Millions, F.A.S. value basis)

Country	1984	1985	1st Quarter 1985	1st Quarter 1986	Ratio 1st Qtr. 86/85
West Germany	99.0	71.1	20.6	26.1	1.26
Canada	118.9	96.2	26.6	24.2	0.91
Taiwan	48.8	59.0	11.2	18.5	1.65
Japan	46.5	40.8	9.8	14.6	1.50
United Kingdom	21.4	18.6	4.5	9.1	2.02
Belgium/Luxembourg	27.6	25.3	6.9	8.2	1.19
Italy	25.3	19.5	7.2	6.1	0.85
Mexico	12.3	12.7	3.2	3.6	1.11
Netherlands	12.1	8.9	2.5	3.5	1.32
South Korea	7.6	8.9	1.9	3.3	1.69
Spain	5.2	6.8	1.7	3.2	1.87
France	10.4	9.8	3.1	2.8	0.91
Brazil	7.9	7.1	2.0	0.0	0.01
Other Countries	49.9	45.7	11.3	11.8	1.04
TOTAL	492.9	430.5	112.6	135.0	1.20

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

BEST COPY AVAILABLE

2/

TABLE 5. Hardwood Logs: U.S. Exports by Country, 1985-86

Country	1985					1986	Ratio
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Total	1st Qtr.	1st Qtr. 86/85
	1000 Board Feet						
West Germany	8,666	8,957	1,114	6,042	24,779	15,750	1.82
Canada	15,247	5,852	5,037	7,213	33,349	5,984	0.39
Taiwan	3,923	5,736	5,105	3,709	18,473	4,424	1.13
Japan	1,418	1,731	654	1,415	5,218	3,424	2.41
South Korea	1,018	1,070	362	612	3,062	1,799	1.77
Belgium/Luxembourg	915	685	91	739	2,430	1,263	1.38
Mexico	326	375	320	434	1,455	1,070	3.28
Italy	2,261	1,253	197	863	4,574	926	0.41
Netherlands	331	151	79	402	963	639	1.93
Spain	256	246	34	190	726	500	1.95
Singapore	96	246	64	148	554	351	3.66
Switzerland	293	382	0	80	755	347	1.18
France	443	392	108	438	1,381	323	0.73
Austria	461	1,009	0	54	1,524	134	0.29
United Kingdom	304	45	0	12	361	34	0.11
Brazil	1,914	123	7,307	1,467	10,811	0	0.00
Other Countries	85	316	127	253	781	187	2.20
TOTAL	37,957	28,569	20,599	24,071	111,196	37,155	0.98

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

TABLE 6. Hardwood Lumber: U.S. Exports by Country, 1985-86

Country	1985 1st Qtr.	1985 2nd Qtr.	1985 3rd Qtr.	1985 4th Qtr.	1985 Total	1986 1st Qtr.	Ratio 1st Qtr. 86/85
	1000 Board Feet						
Canada	34,576	34,525	30,862	30,595	130,558	34,804	1.01
Taiwan	8,172	10,901	13,145	14,423	46,641	17,312	2.12
Japan	10,210	9,695	11,043	12,424	43,372	13,587	1.33
Belgium/Luxembourg	6,999	6,713	5,536	5,343	24,591	7,003	1.00
United Kingdom	4,403	4,438	4,205	4,954	18,000	6,511	1.48
West Germany	6,233	4,753	5,479	4,730	21,195	5,586	0.90
Italy	4,005	3,973	2,187	2,628	12,793	4,460	1.11
Mexico	4,234	3,996	3,433	4,107	15,770	3,973	0.94
Netherlands	2,930	2,183	2,671	3,316	11,100	3,341	1.14
Spain	1,479	1,318	1,532	1,986	6,315	2,579	1.74
France	3,047	2,381	1,288	1,212	7,928	2,234	0.73
Other Countries	9,639	7,192	8,303	9,206	34,340	10,595	1.10
TOTAL	95,927	92,068	89,684	94,924	372,603	111,985	1.17

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

TABLE 7. Hardwood Veneer: U.S. Exports by Country, 1985-86

Country	1985 1st Qtr.	1985 2nd Qtr.	1985 3rd Qtr.	1985 4th Qtr.	1985 Total	1986 1st Qtr.	Ratio 1st Qtr. 86/85
	1000 Square Feet						
West Germany	61,740	58,188	60,554	95,634	276,116	95,046	1.54
Canada	37,472	40,831	34,696	32,477	145,476	32,317	0.86
Taiwan	13,524	12,116	26,199	24,411	76,250	23,724	1.75
United Kingdom	7,460	13,829	13,127	12,213	46,629	13,638	1.83
Korea, South	2,600	4,600	4,694	8,038	19,932	6,726	2.59
Belgium/Luxembourg	7,314	8,281	4,118	4,423	24,136	5,306	0.73
Italy	8,310	4,111	4,689	10,025	27,135	5,120	0.62
France	3,129	1,931	3,073	3,575	11,708	4,951	1.58
Spain	1,434	1,189	4,695	2,372	9,690	4,877	3.40
Israel	418	146	37	430	1,031	4,373	10.46
Denmark	2,314	16,195	4,510	2,329	25,348	3,611	1.56
Egypt	2,139	0	2,257	484	4,880	3,611	1.69
Singapore	1,695	1,368	3,161	1,805	8,029	3,179	1.88
Norway	1,782	4,373	838	1,987	8,980	1,950	1.09
Japan	5,083	1,395	4,549	1,019	12,046	1,698	0.33
Australia	468	519	640	1,056	2,683	1,633	3.49
Mexico	1,023	741	868	1,970	4,602	1,001	0.98
Switzerland	9,389	5,432	6,906	2,756	24,483	718	0.08
Finland	3,237	0	1,038	0	4,275	408	0.13
Sweden	7,934	6,139	1,990	236	16,299	0	0.00
Other Countries	10,494	11,881	6,884	13,727	42,986	1,039	0.10
TOTAL	188,959	193,265	189,523	220,967	792,714	214,926	1.14

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

TABLE 8. Hardwood Plywood: U.S. Exports by Country, 1985-86

Country	1985 1st Qtr.	1985 2nd Qtr.	1985 3rd Qtr.	1985 4th Qtr.	1985 Total	1986 1st Qtr.	Ratio 1st Qtr. 86/85
	1000 Square Feet						
United Kingdom	9	9	468	457	943	5,150	572.22
Israel	0	0	27	457	484	3,687	NA
Canada	4,011	4,056	3,890	4,797	16,754	3,238	0.81
Mexico	1,307	3,018	2,528	2,483	9,336	1,660	1.27
West Germany	408	287	0	0	695	1,032	2.53
Trinidad and Tobago	121	628	365	60	1,174	480	3.97
Jamaica	12	51	212	761	1,036	460	38.33
South Korea	1	6	0	0	7	430	430.00
Cayman Islands	294	312	170	338	1,114	357	1.21
Bahamas	217	184	340	248	989	227	1.05
British Virgin Islands	174	207	171	319	871	220	1.26
Barbados	0	0	25	0	25	200	NA
Haiti	146	205	256	168	775	134	0.92
Netherlands Antilles	142	99	190	331	762	122	0.86
Bermuda	91	153	58	90	392	62	0.68
Pacific Trust Territories	98	40	88	44	270	15	0.15
Netherlands	660	0	0	0	660	0	0.00
Saudi Arabia	1,221	2,934	0	383	4,538	0	0.00
Sweden	176	0	0	0	176	0	0.00
Taiwan	275	0	0	2	277	0	0.00
Other Countries	200	714	493	1,338	2,745	259	1.30
TOTAL	9,563	12,903	9,281	12,276	44,023	17,733	1.85

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

TABLE 9. Softwood Products: U.S. Exports by Commodity, 1984-85

Commodity	1984	1985	1st Quarter 1985	1st Quarter 1986	Ratio 1st Qtr. 86/85
	Quantity				
Logs (1000 bd. ft.)	3,369,371	3,731,971	893,121	869,794	0.97
Railroad Ties (1000 bd. ft.)	24,331	2,870	443	99	0.22
Lumber (1000 bd. ft.)	1,586,187	1,504,802	371,648	468,478	1.26
Siding (1000 bd. ft.)	1,948	1,490	236	388	1.64
Flooring (1000 bd. ft.)	218	981	0	332	NA
Molding (1000 linear ft.)	116,125	144,001	35,102	47,398	1.35
Treated Lumber, etc. (1000 bd. ft.)	10,949	8,119	2,524	1,674	0.66
Veneer (1000 sq. ft.)	356,142	307,641	92,123	73,145	0.79
Plywood (1000 sq. ft.)	370,602	320,520	125,525	207,188	1.65
Wood Chips (short tons)	2,325,163	2,317,989	559,453	507,401	0.91
Poles, Posts and Pilings (no.)	1,283,990	1,466,301	1,130,892	232,391	0.21
	Value ($ Million)				
Logs	1,079.2	1,169.1	265.7	268.4	1.01
Railroad Ties	7.0	0.8	0.1	0.0	0.25
Lumber	529.4	492.4	122.3	149.3	1.22
Siding	0.6	0.7	0.1	0.1	1.07
Flooring	0.1	0.2	0.0	0.1	NA
Molding	3.8	4.6	1.0	1.7	1.68
Treated Lumber, etc.	3.8	3.0	1.1	0.7	0.59
Veneer	11.6	9.6	2.7	2.5	0.92
Plywood	86.5	75.2	28.7	44.2	1.54
Wood Chips	164.1	168.8	41.7	37.2	0.89
Poles, Piles and Posts	22.9	16.3	4.8	4.8	0.98
TOTAL VALUE	1,909.0	1,940.8	468.3	509.0	1.09

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

TABLE 10. Softwood Products: U.S. Exports by Country, 1984-86
($ Millions, F.A.S. value basis)

Country	1984	1985	1st Quarter 1985	1st Quarter 1986	Ratio 1st Qtr. 86/85
Japan	955.3	1,009.0	247.5	257.0	1.04
China	283.8	328.2	52.5	71.0	1.35
Canada	167.6	165.3	50.2	45.8	0.91
South Korea	89.7	97.3	27.1	20.4	0.54
United Kingdom	40.3	26.6	10.8	14.6	1.36
Italy	55.1	43.3	12.1	14.0	1.15
Netherlands	13.7	14.6	7.3	13.1	1.81
Australia	62.4	55.5	14.0	11.7	0.60
Mexico	27.0	38.5	7.3	8.4	1.16
West Germany	19.8	15.8	3.1	7.9	2.58
Belgium/Luxembourg	13.3	12.2	5.0	6.8	1.35
Denmark	11.9	9.1	3.5	6.0	1.70
Other Countries	169.1	125.4	27.9	32.3	1.16
TOTAL VALUE	1,909.0	1,940.8	468.3	509.024	1.09

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

TABLE 11. Softwood Logs: U.S. Exports by Country, 1985-86

Country	1985 1st Qtr.	1985 2nd Qtr.	1985 3rd Qtr.	1985 4th Qtr.	1985 Total	1986 1st Qtr.	Ratio 1st Qtr. 86/85
	1000 Board Feet						
Japan	456,892	457,632	490,795	488,532	1,893,851	441,230	0.97
China	165,600	378,528	317,753	207,096	1,068,977	236,455	1.43
Canada	171,541	36,604	83,427	120,479	412,051	121,094	0.71
South Korea	92,056	83,486	75,643	73,204	324,389	68,995	0.75
Italy	525	212	86	330	1,153	583	1.11
Dominican Republic	0	0	108	0	108	469	NA
Mexico	80	413	482	475	1,450	355	4.44
Taiwan	503	276	578	0	1,357	128	0.25
Spain	100	104	100	82	386	85	0.85
Greece	138	0	0	12	150	22	0.16
Turkey	1,016	0	0	0	1,016	16	0.02
Hong Kong	4,091	6,167	2,299	12,813	25,370	0	0.00
Solomon Islands	0	0	0	0	0	0	NA
United Kingdom	27	23	14	0	64	0	0.00
Other Countries	552	186	343	568	1,649	362	0.66
TOTAL	893,121	963,631	971,628	903,591	3,731,971	869,794	0.97

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

NA: Not applicable.

TABLE 12: Softwood Lumber: U.S. Exports by Country, 1985-86

Country	1985 1st Qtr.	1985 2nd Qtr.	1985 3rd Qtr.	1985 4th Qtr.	1985 Total	1986 1st Qtr.	Ratio 1st Qtr. 86/85
	1000 board Feet						
Japan	155,987	130,388	129,435	158,369	574,179	199,724	1.28
Canada	64,062	80,517	79,616	70,192	294,387	86,206	1.35
Australia	41,471	47,161	42,618	27,633	158,883	35,671	0.86
Mexico	17,783	25,498	31,423	34,807	109,511	30,839	1.73
Italy	21,619	21,061	13,585	21,139	77,404	22,402	1.04
United Kingdom	6,844	8,017	6,033	6,216	27,110	12,143	1.77
Netherlands	2,705	573	681	570	4,529	10,204	3.77
Spain	4,657	6,760	6,821	8,160	26,398	8,916	1.91
Dominican Republic	5,464	9,356	5,866	8,992	29,678	7,269	1.33
West Germany	4,227	4,066	4,430	6,073	18,796	6,289	1.49
French Pacific Islands 1/	2,510	2,034	3,553	6,996	15,093	6,089	2.43
China	6,750	10,056	0	14	16,820	5,296	0.78
Bahamas	3,775	4,674	2,829	3,717	14,995	5,004	1.33
Belgium/Luxembourg	1,287	1,067	988	1,770	5,112	4,678	3.63
Trinidad and Tobago	1,900	4,341	6,104	2,226	14,571	4,600	2.42
Greece	2,710	3,389	2,563	3,954	12,616	3,476	1.28
Saudi Arabia	4,872	2,211	1,423	2,456	10,962	3,396	0.70
Jamaica	5,351	4,718	6,841	6,072	22,982	780	0.15
Other Countries	17,674	5,761	38,345	15,719	77,499	15,496	0.88
TOTAL	371,648	383,154	364,925	385,075	1,504,802	468,478	1.26

1/ French Pacific Islands formerly reported as New Caledonia.

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

TABLE 13. Softwood Plywood: U.S. Exports by Country, 1985-86

Country	1985 1st Qtr.	1985 2nd Qtr.	1985 3rd Qtr.	1985 4th Qtr.	1985 Total	1986 1st Qtr.	Ratio 1st Qtr. 86/85
	1000 Square Feet						
United Kingdom	36,516	8,418	9,313	11,391	65,638	49,355	1.35
Netherlands	24,788	2,499	2,209	19,119	48,615	46,705	1.88
Denmark	12,414	602	141	22,417	35,574	31,135	2.51
Belgium/Luxembourg	22,323	5,593	7,283	14,607	49,806	24,693	1.11
West Germany	3,987	4,671	5,914	6,788	21,360	20,056	5.03
Canada	8,192	5,518	4,009	7,518	25,237	12,656	1.54
Bahamas	1,685	1,813	2,757	2,044	8,299	2,615	1.55
France	698	228	308	1,684	2,918	2,312	3.31
French Pacific Islands 1/	576	682	2,879	2,449	6,586	2,242	3.89
Mexico	7,562	4,908	4,847	2,659	19,976	2,240	0.30
Japan	1,937	1,574	1,401	1,294	6,206	1,966	1.01
Trinidad and Tobago	585	2,332	1,738	1,117	5,772	1,882	3.22
Pacific Trust Territories	919	1,048	608	863	3,438	444	0.48
Other Countries	3,343	6,027	4,768	6,957	21,095	8,887	2.66
TOTAL	125,525	45,913	48,175	100,907	320,520	207,188	1.65

1/ French Pacific Islands formerly reported as New Caledonia.

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

30

TABLE 14. Wood Chips: U.S. Exports by Country, 1985-86

Country	1985					1986	Ratio
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Total	1st Qtr.	1st Qtr. 86/85
	Short Tons						
Japan	550,491	549,889	575,067	493,983	2,169,430	467,273	0.85
Sweden	0	0	26,611	20,459	47,070	20,746	NA
Canada	8,141	31,944	22,527	17,466	80,078	17,269	2.12
Taiwan	0	0	0	0	0	1,798	NA
Australia	0	35	0	70	105	86	NA
Mexico	452	0	0	0	452	30	0.07
Belgium/Luxembourg	65	0	0	0	65	0	0.00
Finland	0	0	0	19,699	19,699	0	NA
Hong Kong	0	57	0	0	57	0	NA
West Germany	211	0	0	0	211	0	0.00
Other Countries	93	467	262	0	822	199	2.14
TOTAL	559,453	582,392	624,467	551,677	2,317,989	507,401	0.91

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

NA: Not applicable.

TABLE 15. Softwood Veneer: U.S. Exports by Country, 1985-86

Country	1985 1st Qtr.	1985 2nd Qtr.	1985 3rd Qtr.	1985 4th Qtr.	1985 Total	1986 1st Qtr.	Ratio 1st Qtr. 86/85
	1000 Square Feet						
Canada	60,303	56,857	36,456	42,137	195,753	37,582	0.62
Japan	18,892	4,464	16,845	16,073	56,274	16,601	0.88
West Germany	1,880	5,639	11,601	605	19,725	8,064	4.29
Mexico	2,810	1,888	3,179	5,719	13,596	3,943	1.40
Denmark	4,737	0	219	3,316	8,272	2,614	0.55
Taiwan	421	211	432	0	1,064	1,184	2.81
Italy	0	1,682	251	1,353	3,286	1,032	NA
Bahamas	5	370	323	325	1,023	703	140.60
United Kingdom	205	539	14	304	1,062	570	2.78
Belgium/Luxembourg	210	30	0	654	894	390	1.86
Australia	0	18	0	0	18	0	NA
France	0	548	0	0	548	0	NA
Guatemala	246	0	0	0	246	0	0.00
Jamaica	0	0	0	388	388	0	NA
Singapore	511	166	180	203	1,060	0	0.00
Venezuela	1,687	1,398	0	0	3,085	0	0.00
Other Countries	216	62	269	800	1,347	462	2.14
TOTAL	92,123	73,872	69,769	71,877	307,641	73,145	0.79

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

NA: Not applicable.

TABLE 16. Wood Products: U.S. Trade Balance
by Commodity, 1st Qtr. 1986
($ 1,000, F.A.S. value port of export)

Commodity	Exports	Imports	Net Balance
Softwood Logs	268,445	777	267,668
Hardwood Logs	31,476	874	30,602
Poles, Piles and Posts	4,768	2,707	2,061
Wood Chips	37,223	5,457	31,766
Softwood Lumber	149,305	652,765	(503,460)
Hardwood Lumber	77,631	32,816	44,815
Softwood Flooring	76	69	7
Hardwood Flooring	1,837	7,345	(5,508)
Siding	182	30,192	(30,010)
Molding	3,011	24,355	(21,344)
Treated Lumber, Flooring, Siding & Molding	662	4,031	(3,369)
Railroad Ties	1,173	400	773
Softwood Veneer	2,459	3,221	(762)
Hardwood Veneer	17,538	28,354	(10,816)
Softwood Plywood	44,205	8,244	35,961
Hardwood Plywood	4,072	136,358	(132,286)
Hardboard	6,783	15,454	(8,671)
Particleboard	7,437	32,436	(24,999)
Cellular Wood Panels	445	10	435
Gypsum & Plaster Board	2,471	22,777	(20,306)
Other Panel Products	9,014	7,472	1,542
Miscellaneous Wood Products	51,205	179,329	(128,124)
TOTAL	721,418	1,195,443	(474,025)

Source: U.S. Department of Commerce.

Note: May not add to totals due to rounding.

*U.S. GOVERNMENT PRINTING OFFICE: 1986-490-917:20477/FAS

BEST COPY AVAILABLE

Do you need information about

- Overseas markets and buying trends?
- New competitors and products?
- Trade policy developments?
- Overseas promotional activities?

Then **Foreign Agriculture** — USDA's fact-filled monthly agricultural trade magazine — is for you. Based on official USDA data available nowhere else, **Foreign Agriculture** articles are clear and crisp, written to provide the export information you need, in a concise and extremely readable form.

Special information is found in **Foreign Agriculture's** telegraphed, targeted news departments: Fact File, Country Briefs, Trade Updates and Marketing News. And its tables and graphs will give you an immediate grasp of what's going on overseas.

In addition, periodic special issues—such as the one devoted entirely to value-added exports—will give you a wide range of detailed information about overseas markets.

If you use agricultural facts and figures in your business, you need **Foreign Agriculture.**

Subscribe today! Just $16.00 ($20.00 for foreign delivery) brings you Foreign Agriculture for 12 full months.

SUBSCRIPTION ORDER FORM

Please print or type

Write check payable to:
Superintendent of Documents

MAIL ORDER FORM TO:

Superintendent of Documents
Government Printing Office
Washington, D.C. 20402

For Office Use Only

Quantity — Charges

_____ Publications _____
_____ Subscriptions _____
Special Shipping Charges _____
International Handling _____
Special Charges _____
OPNR _____
_____ UPNS
_____ Balance Due
_____ Discount
_____ Refund

Enter My Subscription To FOREIGN AGRICULTYURE

$16.00 domestic (United States and its possessions); $20.00 foreign. The Government Printing Office requires that foreign addressees send international money orders, UNESCO coupons, or checks drawn on a domestic bank only.

Enclosed is $_____
☐ Check
☐ Money order
☐ Charge to my Deposit Account
No. _____
Order No. _____

Credit Card Orders Only (Visa and Mastercard)
Total charges $ _____
Credit card No. _____
Expiration Date Month/Year _____

Name—First, Last
Company Name or Additional Address Line
Street Address
City — State — Zip Code
Country

BEST COPY AVAILABLE

FAS Circulars: Market Information For Agricultural Exporters

As an agricultural exporter, you need timely, reliable information on changing consumer preferences, needs of foreign buyers, and the supply and demand situation in countries around the world.

The Foreign Agricultural Service can provide that information in its commodity circulars.

World agricultural information and updates on special FAS export services for the food and agricultural trade all are available in these periodic circulars.

For a sample copy of these reports—which can supply you with the information you need to make sound business decisions—check the box indicated, fill out the address form and mail it today.

To subscribe: Indicate which publications you want. Send a check for the total amount payable to the Foreign Agricultural Service. Only checks on U.S. banks, cashier's checks, or international money orders will be accepted. NO REFUNDS CAN BE MADE.
Mail this form to: Foreign Agricultural Service
Information Division
Room 4844-S
U.S. Department of Agriculture
Washington, D.C. 20250

No. of Subscriptions			Subscription Rate	
			Domestic	Foreign
____	10022	Cocoa (2 issues)	$ 3.00	$4.00
____	10003	Coffee (3 issues)	5.00	10.00
____	10004	Cotton (12 issues)	20.00	30.00
		Dairy, Livestock & Poultry:		
____	10005	Export Trade & Prospects (6 issues)	14.00	22.00
____	10006	Meat & Dairy Monthly Imports (12 issues)	20.00	25.00
____	10007	Dairy Situation (2 issues)	3.00	4.00
____	10008	Livestock & Poultry Situation (2 issues)	4.00	7.00
____	10009	All 24 Reports Listed Above	41.00	58.00
		Grains:		
____	10010	World Grain Situation & Outlook (16 issues)	28.00	41.00
____	10011	Export Markets for U.S. Grain (12 issues)	20.00	30.00
____	10013	USSR Grain Situation & Outlook (12 issues)	15.00	20.00
____	10014	All 40 Reports Listed Above	63.00	91.00
____	10015	Horticultural Products (12 issues)	20.00	30.00
____	10016	Oilseeds & Products (13 issues)	27.00	42.00
____	10017	Seeds (4 issues)	9.00	15.00
____	10018	Sugar, Molasses & Honey (3 issues)	5.00	8.00
____	10019	Tea, Spices & Essential Oils (3 issues)	5.00	7.00
____	10020	Tobacco (12 issues)	25.00	40.00
____	10021	World Crop Production (12 issues)	18.00	25.00
____	10023	Wood Products (4 issues)	7.00	10.00

____ **Total Reports Ordered** **Total Subscription Price** _____

☐ **Please send me a sample copy.**

Enclosed is my Check for $_____ Made Payable to Foreign Agricultural Service.

Name (Last, first, middle initial)

Organization or Firm

Street or P.O. Box Number

City State Zip Code

Country

FAS-825 (Rev. 9-84)

BEST COPY AVAILABLE

A67.18:WP3-86

United States Department of Agriculture
Foreign Agricultural Service

Foreign Agriculture Circular

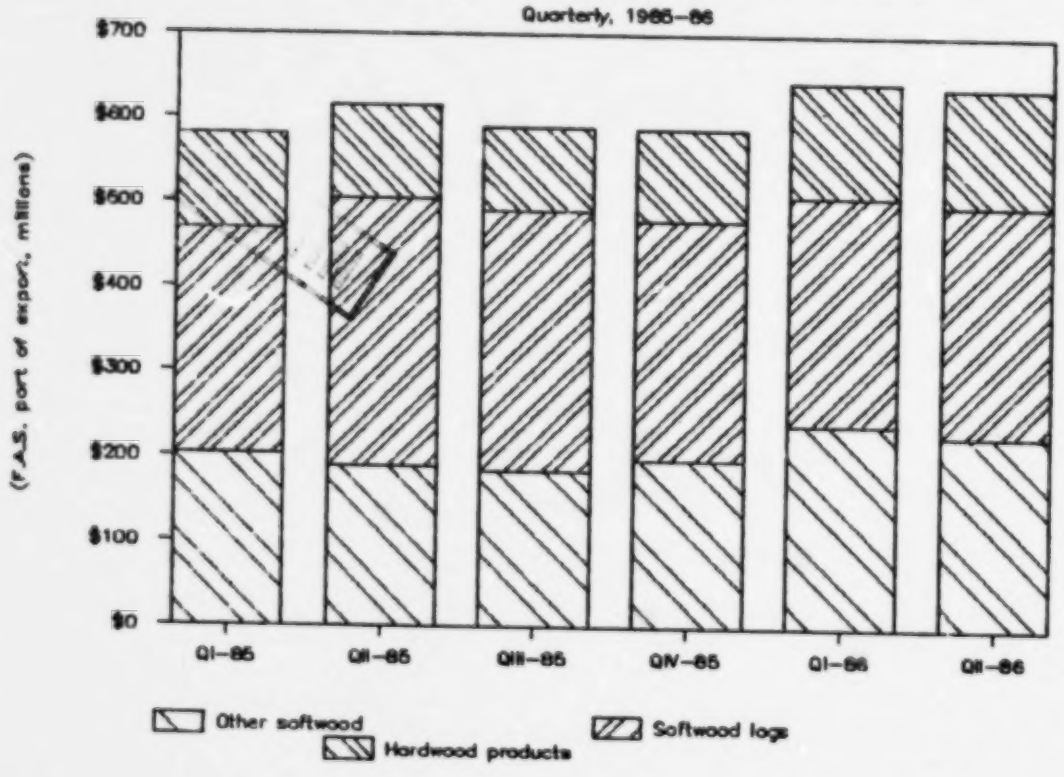
Wood Products

International Trade and Foreign Markets

WP 3-86
August 1986

COMPLETED

U.S. HARDWOOD AND SOFTWOOD EXPORTS



ORIGINAL

BEST COPY AVAILABLE

SUBSCRIPTION INFORMATION

Wood Products Circular

The Foreign Agricultural Service publishes quarterly circulars covering the world supply and demand situation for wood products. The circulars are available on an annual subscription basis. The charge for four issues is US$7.00 for domestic mailing, and US$10.00 for foreign mailing.

To order, send a check for the total amount payable to the Foreign Agricultural Service. Only checks on U.S. banks, cashier's checks, or international money orders will be accepted. No refunds can be made. Subscription requests should include your name, organization or firm, street or P.O. box number, city, state (or country), and zip code. Mail your request to:

Foreign Agricultural Service
Information Division
Room 4644-South Building
U.S. Department of Agriculture
Washington, D.C. 20250

Telephone: (202) 382-9445

Commodity Reports

Foreign Agricultural Service agricultural counselors and attaches report on wood product marketing and other economic information on an annual basis for 30 selected countries. The subscription price for the scheduled reports, voluntary reports, and report updates is US$90.00 for the year ending May 1987. Checks (payable to the Foreign Agricultural Service) should be sent to:

Reports Officer
Foreign Agricultural Service
U.S. Department of Agriculture
Room 6058-South Building
Washington, D.C. 20250

Telephone: (202) 382-8924

BEST COPY AVAILABLE

WOOD PRODUCTS: INTERNATIONAL TRADE AND FOREIGN MARKETS
JANUARY-JUNE, 1986

CONTENTS

	Page
SUBSCRIPTION INFORMATION	2
SUMMARY	4
HARDWOOD	4
SOFTWOOD	5
RECENT DEVELOPMENTS	
Timber Frame's Share Continues To Decline in United Kingdom	6
Pacific Basin Housing Conference Planned for November	7
U.S. Imposes Duty on Imports of Canadian Shakes and Shingles	7
ITC Finds Injury in Preliminary CVD Ruling	8
Administrative Procedures To Obtain Mexican Import Permits	8
U.S. Wood Officials Visit India	8
Scandinavia and Korea Ban Softwood Products Due to Pinewood Nematode	9
REPORTS FROM OVERSEAS	
Canada	10
Finland	11
Ghana	12
Sweden	13
China	14
Japan	15
Korea	17
Indonesia	17
Philippines	19
TABLES	
TABLE 1A. Wood Products: Quantity of U.S. Exports by Commodity, 1982-86	21
TABLE 1B. Wood Products: Value of U.S. Exports by Commodity, 1982-86	22
TABLE 2. Wood Products: U.S. Exports by Country, 1982-86	23
TABLE 3. Hardwood Products: U.S. Exports by Commodity, 1984-86.	24
TABLE 4. Hardwood Products: U.S. Exports by Country, 1984-86	25
TABLE 5. Hardwood Logs: U.S. Exports by Country, 1985-86	26
TABLE 6. Hardwood Lumber: U.S. Exports by Country, 1985-86	27
TABLE 7. Hardwood Veneer: U.S. Exports by Country, 1985-86	28
TABLE 8. Hardwood Plywood: U.S. Exports by Country, 1985-86	29
TABLE 9. Softwood Products: U.S. Exports by Commodity, 1984-86.	30
TABLE 10. Softwood Products: U.S. Exports by Country, 1984-86	31
TABLE 11. Softwood Logs: U.S. Exports by Country, 1985-86	32
TABLE 12. Softwood Lumber: U.S. Exports By Country, 1985-86	33
TABLE 13. Softwood Plywood: U.S. Exports By Country, 1985-86	34
TABLE 14. Wood Chips: U.S. Exports By Country, 1985-86	35
TABLE 15. Softwood Veneer: U.S. Exports By Country, 1985-86	36
TABLE 16. Wood Products: U.S. Trade Balance by Commodity, January - June, 1986	37

BEST COPY AVAILABLE

SUMMARY

U.S. exports of solid wood products for January-June 1986 totaled $1.439 billion, 7.8 percent higher than the same period last year. U.S. export performance showed strong increases for value-added softwood products, lumber, molding, and plywood. World markets for softwood products continue to be dominated by Japan, Canada, China, and the European Community. As expected, wood product exports to China have begun to decline as hard currency allocations tighten. Overall, more favorable exchange rates account for much of the rise in U.S. exports.

U.S. Wood Exports for January - June, 1986
(F.A.S. Value Basis, in Millions of Dollars)

	Japan	Canada	China	Other	TOTAL
Softwood Logs	342.6	21.6	121.6	54.0	539.8
Softwood Lumber	118.8	44.0	1.1	143.6	307.4
Softwood Plywood	1.2	4.3	0.0	58.8	64.3
Hardwood Logs	9.0	4.0	0.0	47.4	60.4
Hardwood Lumber	21.8	34.6	0.1	105.3	161.7
Hardwood Plywood	0.0	1.1	0.0	5.5	6.6
Other Products	88.9	53.8	0.5	155.7	298.9
TOTAL	582.1	163.4	123.3	570.3	1,439.1

U.S. imports for the first half of 1986 were $2.66 billion, up 10 percent over the same period last year. Seventy-five percent of all U.S. imports of wood products were accounted for by Canada. Softwood lumber imports from Canada were $1.49 billion or 7.36 billion board feet. Wood shingles and shakes from Canada totaled $104.7 million for January-June 1986, up 27 percent over the same period last year. For the year-to-date, the United States also imported hardwood plywood valued at $247 million mostly from Indonesia and Taiwan at $138 million and $54 million respectively. Brazil and Mexico remain major suppliers of wood products to the United States, accounting for $67 million and $55 million, respectively, to the U.S. market.

HARDWOOD

Total hardwood exports during the first half of 1986 were valued at $274 million, up $51 million, or 23 percent from the same period in 1985. Exports of U.S. lumber totaled $161 million or 235 million board feet, accounting for 59 percent by value of total wood export trade in the first half of 1986. The value of U.S. hardwood exports increased in all major categories, especially in plywood and lumber which increased 32 and 30 percent, respectively.

BEST COPY AVAILABLE

First Half Hardwood Lumber Exports by Species
($1,000, F.A.S. Port of Export)

	1985	1986	Percent Change
Maple	4,142	5,310	28
Red Oak	57,612	77,074	34
White Oak	28,341	38,245	35
Ash	5,056	6,824	35
Walnut	3,587	3,541	-1
Other	25,410	30,716	21
TOTAL	124,148	161,710	30

During the first half of 1986, Canada, Taiwan, and Japan imported hardwood lumber valued at $34.5 million, $30.1 million, and $21.7 million, respectively. These imports accounted for more than 53 percent of the U.S. export total for this commodity grouping.

SOFTWOOD

Softwood exports for the first half of 1986 were valued at slightly more than $1.0 billion, up 4 percent from the same period in 1985. Log exports declined relative to the previous year, while lumber and plywood exports increased dramatically. Shipments of logs, lumber, and plywood accounted for 54, 30 and 6 percent, respectively, of the $1.0 billion total.

Logs

Softwood log exports in the first half of 1986 totaled nearly 1.7 billion board feet valued at $539.8 million. Export volume was down 10 percent compared to the first 6 months of 1985, while the associated value fell 7 percent. Exports to China, the number-two market, totaled 412.2 million board feet, down 24 percent. Shipments to Japan rose 2 percent to reach 930.2 million board feet.

Shipments of Douglas-fir (828.3 million board feet), western hemlock (255.2 million board feet), and spruce (183.3 million board feet) logs declined 10, 8, and 20 percent, respectively.

Lumber

Softwood lumber exports totaled 922.1 million board feet in the first 6 months of 1986, up 22 percent from the same period of a year ago. The value of those shipments was placed at $306.7 million. Exports to Japan, the largest market, rose 33 percent to total 380.7 million board feet. Shipments to other major markets were up as well, with the notable exception of Australia, where exports posted a 22-percent decline, falling to 69.1 million board feet.

BEST COPY AVAILABLE

Major species exported were Douglas-fir (264.3 million board feet), hemlock (251.1 million board feet), southern yellow pine (92.4 million board feet), and ponderosa pine (86.4 million board feet). Exports were up for all of the major species groups with ponderosa pine and hemlock posting the greatest gains.

Plywood

Softwood plywood exports totaled 297.2 million square feet during the first 6 months of 1986, up 74 percent from the same period last year. A rise in exports to the European Community accounted for most of the increase. Shipments to the United Kingdom, Denmark, and Netherlands were up 38, 345, and 83 percent, respectively, and together accounted for 57 percent of total shipments.

Shipments of southern yellow pine (155.6 million square feet) and Douglas-fir (113.2 million square feet) plywood accounted for 52 and 38 percent, respectively, of the total quantity exported. Southern yellow pine plywood exports were up 59 percent, while shipments of Douglas-fir plywood posted a 128-percent gain.

RECENT DEVELOPMENTS

Timber Frame's Share Continues Decline in the United Kingdom

Timber frame's share of the U.K. construction market continues its downward slide despite continuing efforts on the part of some associations, importers, and builders in the United Kingdom to counter the negative image that timber frame construction has acquired in recent years.

United Kingdom Housing Starts
1982 - First Quarter 1986
(1,000's)

Year	Total Starts	Timber Frame Starts	Percent Timber Frame
1986 1/	40.1	2.8	7
1985	173.3	16.1	9
1984	165.6	22.2	13
1983	175.8	39.5	22
1982	141.6	32.8	23

1/ First quarter data.
Source: National House Building Council

Total starts were below normal levels during the first quarter of 1986 due to unusually cold winter weather. Although timber frame starts continue to decline relative to total starts, some trade sources draw hope because timber frame construction is increasingly popular in the U.K. luxury house market.

BEST COPY AVAILABLE

A joint promotional activities program between the U.S. Department of Agriculture and the American Plywood Association was announced July 17, 1986, by Secretary of Agriculture Richard Lyng. The program, to be initiated this fall, was designed to help counter the adverse effects of unfair trade practices on exports of U.S. wood products. In addition, the project is intended to correct inaccurate reports about quality problems in wood construction. The promotional effort includes a joint project with U.K. home builders and consumer magazines to design and promote timber frame homes. The project will include several model timber framed homes in one location to provide a focal point for promotional and technical programs.

Pacific Basin Housing Conference Planned for November

The Pacific Basin Housing Conference and Exhibition, initiated to expand U.S. trade and meet growing housing needs in the Pacific Basin nations, will be held Nov. 9-12, 1986, in Portland, Oregon, and Vancouver, Washington.

The goal of the conference/exhibit is to demonstrate housing systems and explain financing plans to help the region ease its housing crisis. A special exhibition area will also be set up to illustrate the time and cost efficiencies which can be realized using today's wood construction methods. Visiting delegations will attend workshops and inspect manufacturing facilities and construction projects.

Program sponsors include the American Plywood Association, the Departments of Agriculture and Commerce, the U.S. Trade and Development Program, the State of Washington Evergreen Partnership and the State of Oregon Department of Forestry. Conference hosts will include Senators Bob Packwood (R-Ore.), James McClure (R-Idaho), and Daniel Evans (R-Wash.); Representatives Thomas Foley (D-Wash.) and Don Bonker (D-Wash.); and Governors Victor Atiyeh (R-Ore.) and Booth Gardner (D-Wash.).

U.S. Imposes Duty on Imports of Canadian Red Cedar Shakes and Shingles

The Reagan Administration announced on May 22, 1986, that it would grant U.S. red cedar shake and shingle producers temporary protection from Canadian imports in order to allow the industry time to adjust to increased competition.

The relief comes in the form of a 35-percent tariff, to be phased out over 5 years. The tariff will remain at 35 percent for the first 30 months, drop to 20 percent for the next 24 months and, finally, to 8 percent for the last 6 months. This action by the White House followed a previous ruling by the U.S. International Trade Commission that imports were seriously injuring the U.S. industry.

The Canadian Government, sharply condemning the U.S. action as "unjustified and unacceptable," quickly retaliated by placing tariffs on a variety of products imported from the United States. The products affected are: books and magazines, computer parts and semiconductors, cider, diesel motors, railcars, asphalt oil, trees, oatmeal and rolled oats, and ozone generators. Canada began imposing the new duties on June 6, the same day the shakes and shingles tariff became effective.

BEST COPY AVAILABLE

The United States imported nearly 4 million squares of red cedar shakes and shingles in 1985, with all but 1,800 squares originating in Canada. Imports from Canada in 1985 were valued at approximately $157 million and accounted for nearly 75 percent of the U.S. consumption.

ITC Finds Injury in Preliminary CVD Ruling

On June 26, 1986, the U.S. International Trade Commission, by a 5-0 vote, made a preliminary ruling that the U.S. domestic industry "is being materially injured, or threatened with material injury, by reason of softwood lumber imports from Canada." This affirmative vote continues the countervailing duty (CVD) process with the next step involving a preliminary subsidy determination by the U.S. Department of Commerce's International Trade Administration (ITA). The preliminary decision will be announced by October 16, 1986.

It is up to the ITA to determine whether a subsidy exists. If the ITA, in its preliminary ruling, finds a subsidy and the subsidy is found not to be trivial, the ITA must specify a duty at a level necessary to counteract the effects of the subsidy.

Regardless of the preliminary subsidy ruling, the process will continue to a final subsidy ruling by the ITA, due by December 30, 1986. If the final ruling is negative, the case ends. However, if the ITA rules affirmative in its final decision, the case goes back to the ITC which will then issue its final ruling on injury no later than February 23, 1987. Again, a negative ruling would end the case. An affirmative final ruling would complete the CVD process and duties would begin being collected, retroactive to the ITA's preliminary affirmative ruling on subsidy (or final affirmative ruling if the preliminary ruling was negative).

Administrative Procedures to Obtain Mexican Import Permits

On June 27, 1986, the Government of Mexico announced administrative procedures to obtain import permits for Mexican tariff item 44.05.A.002, pine (ocote and epicea) or fir (oyamel), planks, boards, and beams. Items imported under this category bear a 10-percent tariff. The Mexican Secretariat of Commerce and Industrial Development (SECOFI), through its offices in each Mexican state, can now provide an import permit to importers located in the respective offices' jurisdiction. After receiving the importer's request, SECOFI's state office then requests a technical opinion from the Secretariat of Agriculture and Hydraulic Resource's local office. If the Secretariat does not respond with an opinion within 10 workdays of receiving the SECOFI request, the permit is issued.

U.S. Wood Officials Visit India

During June, a high-level team of U.S. wood industry officials made a fact-finding trip to India to obtain a first-hand impression of India's wood products requirements and potential for U.S. products in that market. India appears to be developing a more favorable business climate regarding imports. In March 1986, general licenses to import logs and unfinished veneer were granted. Previous policies had generally favored imports under circumstances where value-added exports could be increased. A large portion of current wood

BEST COPY AVAILABLE

imports are being used domestically. In addition, import duties were recently reduced to 10 percent for most countries. It was learned that India recently has increased imports of hardwood logs. Estimates of long-term demand requirements are in the 10-to-20 million cubic meter range.

Impediments to U.S. trade include a current lack of familiarity with softwood products, shortages of foreign exchange and transportation problems. However, given the huge potential demand, the U.S. industry is considering ways to further assess and develop markets in India. The visit was sponsored jointly by the National Forest Products Association and the Foreign Agricultural Service.

Scandinavia and Korea Ban Softwood Products Due to Pinewood Nematode

On January 9, 1985, the Finnish Plant Quarantine Authority implemented a ban on the importation of softwood products from the United States, Japan, and Canada. The products banned include chips, logs, fuel wood, and wood in the rough, whether or not stripped of it's bark or merely roughed down. On January 8, 1986, Norway instituted a softwood ban that includes kiln dried softwood products, with or without bark. On February 1, 1986, Sweden instituted a ban that included all softwood products. The Swedish ban, however, does not specifically mention kiln dried lumber. On May 2, 1986, the Republic of Korea also banned the import of U.S. pine and larch due to the nematode. The bans stem from the discovery of the nematode Bursaphelechus xylophilus in a shipment of wood chips in 1984 to Finland from the southern United States.

Recently, at a meeting of the European Plant Protection Organization (EPPO), the Finns presented a paper on this topic. The EPPO subsequently drafted an EPPO proposal asking all member countries to ban the import of softwoods from Japan, Canada, and the United States. As a result of the meeting, Australia and the United Kingdom have expressed concern over the nematode and are seeking more information from the United States.

A meeting was held in Washington, D.C. on July 9, 1986, to assess the risk to Scandinavian forests arising from trade in softwood products, especially wood chips, from North America. The meeting was attended by key U.S. scientists and government leaders. Also attending were key industry leaders and a representative of the Canadian Plant Health Agency. Participating in this meeting were the leading scientists in the areas of nematode identification, pine wilt disease complex, and fumigation.

Conclusions reached at the meeting stated that there is no hard scientific evidence that supports the Korean and Scandinavian bans and that further research on the nematode problem is needed.

Although Scandinavia is not a large American softwood market, the ban is already causing an economic impact in the Southeastern area. U.S. industry claims there is a considerable trickle-down effect in local economies and that many mills have gone under due to the bans.

The Foreign Agricultural Service, in conjunction with the U.S. Forest Service, the Agricultural Research Service, and the Animal and Plant Health Inspection Service, is working to resolve the problem as quickly as possible.

BEST COPY AVAILABLE

The agricultural attache in Stockholm has been working with Finnish and Swedish authorities for an easing of the wood ban. The U.S. Government has proposed that imports be permitted during the winter months when the nematode and transporting vectors are not active.

REPORTS FROM OVERSEAS

Canada

Canadian forest products industry production levels in 1986 are projected to increase in nearly all of the major commodity areas. Continued health in the North American housing and construction industries and improved building activity in the major European markets have resulted in increased production and trade, particularily of softwood lumber and plywood. The following table highlights Canadian production, consumption, and trade of roundwood, softwood lumber, and plywood for the period 1984-1986:

Production, Consumption and
Trade of selected wood products, 1984-1986
(1,000 cubic meters)

	1984	1985	1986 1/
Roundwood			
Production	163,000	174,000	184,000
Imports	3,475	3,726	3,800
Exports	3,970	3,084	3,500
Apparent consumption	162,505	174,642	184,300
Softwood lumber			
Production	48,123	52,512	55,000
Imports	628	681	700
Exports	37,091	38,625	40,000
Apparent consumption	11,660	14,568	15,700
Plywood 2/			
Production	1,846	1,958	2,050
Imports	48	63	55
Exports	472	471	475
Apparent consumption	1,423	1,551	1,630

1/ Forecast
2/ Statistics reflect a small amount of temperate hardwood plywood, but exclude tropical hardwood plywood.
Source: 1986 FAS attache report

Production and trade of softwood lumber continues to dominate Canada's forest products sector. The ongoing U.S. countervailing duty investigation of Canadian softwood lumber, together with the recent imposition of a 35-percent duty on Canadian shakes and shingles, has increased uncertainty in the Canadian industry.

BEST COPY AVAILABLE

Through the first 6 months of 1986, U.S. imports of softwood lumber from Canada totaled 7.36 billion board feet, up 3.4 percent from the same period of a year ago.

Finland

Finland's 1986 harvest of roundwood is forecast at 54 million cubic meters, slightly above the 1985 volume. Raw material use is estimated at 42 million cubic meters for domestic processing, 4 million cubic meters for fuelwood, 1 million cubic meters for roundwood exports, and 7 million cubic meters of logging residues and/or natural losses.

Total forested area is expected to remain stable at 20.1 million hectares. The growing stock for 1986 is estimated at 1.665 million cubic meters solid volume with bark, of which 45 percent is scotch pine, 37 percent Norway spruce, and 18 percent hardwoods, predominantly birch.

Increases in both foreign demand and export prices are expected to boost 1986 production of softwood lumber (pine and spruce) to 7.5 million cubic meters, 3 percent above 1985, but 8 percent below the 1984 volume. Similar gains are expected for softwood plywood, temperate hardwood plywood (mainly birch), and particleboard.

Production of Wood Products
(1,000 cubic meters)

	1984	1985	1986 1/
Roundwood	52,400	53,850	54,000
Softwood Lumber	8,150	7,300	7,500
Total Plywood	592	523	567
Total Fiberboard	128	118	90
Particleboard	541	571	600

1/ Preliminary

The forest products industry, including the pulp and paper sector, accounts for a large, but declining, share of Finland's total exports. During 1983-1985, exports of forest products accounted for nearly 37 percent of the total value of Finnish exports compared to 43 percent in 1980 and 56 percent in 1970. From 1970 to 1985, forest products exports (value basis) increased 4.75 times whereas the value of all exports increased 7.7 times.

The principal solid wood products exported are softwood lumber and hardwood plywood. For 1986, it is expected that approximately two-thirds of Finland's 7.5 million cubic meters of softwood lumber production and 80 percent of its 470 thousand cubic meters of hardwood plywood production will be exported.

BEST COPY AVAILABLE

Softwood lumber exports in 1986, which previously had been forecast to decline, are now expected to increase 2 percent above 1985 levels as a result of increased demand by the major European market countries. Export prices have stabilized, and in some cases risen, after having declined throughout most of 1985.

Finnish Exports to Selected Market Countries, 1985
(1,000 cubic meters)

Country	Softwood Lumber	Hardwood Plywood
United Kingdom	853	56
Egypt	584	--
West Germany	532	77
France	442	19
All others	2,474	193
Total	4,885	345

Source: 1986 FAS Attache Report

In 1985, Finland exported hardwood plywood to 65 countries. Approximately 89 percent of the quantity exported went to European markets, 4 percent to the United States, 4 percent to Asia, and 3 percent to Africa. West Germany and the United Kingdom were Finland's largest customers, taking 22 and 16 percent of the total hardwood plywood exports, respectively. For 1986, exports are forecast to increase 9 percent compared to the previous year.

Exports of U.S. solid wood products to Finland have declined considerably from a high of $13.6 million in 1983. In that year, exports of wood chips accounted for approximately 86 percent of the total. See page 9 for a discussion of the pinewood nematode issue in softwood chip exports to Finland and other countries.

Ghana

Ghana has approximately 6.2 million hectares of unreserved closed forest. Despite protection from exploitation, this forest is disappearing. One estimate indicates that 40 percent of wood for consumption and export comes from these unreserved closed forest areas. Most timber production is from Ashanti and Brong Ahafo regions.

According to the agricultural attache in Lagos, Nigeria, Ghana is making progress under its economic recovery program initiated in 1983. Measures to restrain domestic inflation and reduce the rate of growth of the external deficit combined with a devaluation of its currency have enhanced Ghana's ability to reenter international markets for forest products.

The timber sector is the subject of a major rehabilitation program by the Government. The goal is to stop the decline in timber exports and to restore production to the level of the past. In 1973 the industry produced

BEST COPY AVAILABLE

2,000,050 cubic meters of round logs but declined to 550,000 cubic meters by 1981. Sawn timber declined from 340,000 cubic meters in 1973 to 190,000 cubic meters in 1981. Export earnings declined from $130 million to $12 million over the same period.

The rehabilitation will be based on a $184 million, three-year program supported by Government revenues and donors, especially the World Bank. It envisions expansion of forest concessions, improved training of technical people in the industry and adopting appropriate ownership and management strategies for the state-owned timber companies.

Forest industry's development is a priority area under the economic recovery program in which initial funds were released in 1985. However, results to date have not been noticeable. Production and exports are expected to increase substantially in 1986 and beyond. The delay is due to the time required to have the necessary equipment and machinery ordered, imported, and installed.

Ghanaian wood product exports in 1985 were valued at $30 million compared to $14.7 million in 1983.

Sweden

Sweden's 1986 harvest of roundwood is forecast at 63.2 million cubic meters, only 300,000 cubic meters above the 1985 cut. Softwood lumber production is estimated at 11 million cubic meters, down from 11.4 million cubic meters a year ago. The decline is due for the most part to a shortage of sawlogs. Inadequate supplies of raw material have been a continuing problem for sawnwood and board product manufacturers.

Approximately 46 percent of the productive forest area is owned by the private sector. This sector is fragmented with more and more owners less dependent upon logging for their livelihood. Many are reluctant to increase fellings because of the high taxes incurred when the timber is sold. The Government is currently trying to identify ways to stimulate logging from this sector.

Softwood lumber is by far Sweden's largest solid wood export commodity, accounting for 17 percent of the $6 billion in total forest products exports (including paper and allied products) in 1985. Approximately 85 percent of Sweden's lumber exports consist of rough sawn softwood lumber not further processed. Principal export species are whitewood spruce and redwood pine. Exports were made to about 50 countries, with European destinations accounting for approximately 83 percent of the total lumber shipments.

Egypt is Sweden's largest non-European market (fourth largest overall), accounting for 10 percent of 1985 softwood lumber exports. An overall decline in 1985 shipments to the Middle East was largely the result of reduced imports by Saudi Arabia. Construction activity in Saudi Arabia has slowed considerably from the pace of several years ago and is forecast to decline further during the next few years.

BEST COPY AVAILABLE

The outlook for 1986 is for a 2-percent decline in total softwood lumber exports. A small increase in demand from Sweden's traditional European customers is expected because of increased construction activity in those countries. Egypt will remain a major market, but currency problems in that country are expected to hamper effective demand.

Swedish Production, Consumption and Trade of Selected Wood Products, 1984-1986
(1,000 cubic meters)

	1984	1985	1986 1/
Roundwood			
Production	64,700	62,900	63,200
Imports	4,847	5,968	6,000
Exports	1,560	1,489	1,500
Apparent Consumption	71,402	69,492	69,000
Softwood Lumber			
Production	12,120	11,400	11,000
Imports	91	85	100
Exports	8,002	7,866	7,700
Apparent Consumption	3,782	3,675	3,800

1/ Forecast
Source: 1986 FAS Attache Report

China

In recent years, the People's Republic of China has emerged as one of the world's largest importers of solid wood products. The estimated value of imports in 1985 was more than $750 million. Complete data is not available but it appears that the largest single item was softwood logs totaling about 7 million cubic meters. Hardwood logs are estimated to account for another 1 million cubic meters.

The United States is a major supplier of softwood logs, shipping more than 4.8 million cubic meters to China in 1985. A major competitor is the Soviet Union, shipping approximately 2 million cubic meters of softwood logs. Chilean data indicate shipments of 237,000 cubic meters of softwood logs to China. A very rough estimate places hardwood log exports to China at about 900,000 cubic meters with the major supplier being Malaysia. Imports of softwood lumber are estimated at about 300,000 cubic meters, with Canada the major supplier of softwood lumber.

China imports approximately 500,000 cubic meters of plywood, primarily from Indonesia. A number of larger Chinese plywood and fiberboard plants are expanding efforts to export products. Hong Kong is the most likely market although efforts are also aimed at the Japanese market.

The wood products sector is currently undergoing several adjustments. The most important adjustment is the breaking up of the state monopoly over log purchasing and marketing. This has led to changes throughout the production,

BEST COPY AVAILABLE

processing and distribution systems. In 1985, due to the adjustments, free market prices and the volume of logs brought to market, especially from collective and privately run forests in the southern and southeastern forest regions, have increased. However, excessive cutting continues to worry Chinese foresters. Therefore, the establishment of fast-growing tree plantations is a priority project.

Demand for wood in urban and rural areas continues to grow despite policy restrictions on wood use in certain types of construction. The promotion of substitute building materials has been effective, but continued substitution will depend somewhat on relative price differences between wood, concrete, plastic, and steel. Increased rural disposable income tends to be invested in new and larger housing. Annual rural home starts will most likely continue to be 9-to-10 million units over the next five years. Demand for furniture is also growing, as is demand for furniture parts such as lumber, wood based panels, and veneer. Wood based panel production is being emphasized due to its increased utilization of wood wastes as well as its suitability in furniture making.

The year 1986 will probably see the first decline in wood imports in more than 7 years. Increased domestic supplies, a high 1985 import level and reduced foreign exchange availability could see imports drop by over 10 percent from last year's level. China, however will be unable to attain self-sufficiency in wood over the next 15 years, and the log import market is bright, especially for traditional suppliers such as the United States. The Soviet Union, Chile, and Canada will continue to be principal competitors.

The outlook for lumber imports is unclear. China prefers to purchase logs to obtain the residues from sawmilling as raw material for other processing. Eliminating the sawmilling would also increase China's employment burden. In any case, increased market development work is needed in the processed wood products area.

Japan

Japan remains the world's largest importer of solid wood products and the most important market for U.S. exports of forest products. Total imports of wood products were valued at $4.4 billion in 1985, down slightly from 1984 levels. Shipments originating from the United States were valued at about $1.1 billion in 1985.

The value of U.S. forest products exports to Japan increased slightly in 1985 and is expected to remain relatively flat or increase slightly in 1986. However, Japan still offers U.S. exporters a wide range of promising market development opportunities for both softwood and hardwood products. If the Japanese Government further lowers its tariffs on paneling products, the opportunities would be even greater.

BEST COPY AVAILABLE

The table below presents Japanese imports of solid wood products in value and quantity terms for 1984 and 1985.

Japan: Solid Wood Imports, 1984-1985

Product	1984 $ Million	1984 1,000 CUM	1985 $ Million	1985 1,000 CUM	Imports from the U.S. 1985
Softwood logs	1,457	13,770	1,465	14,501	674
Hardwood logs	1,650	13,385	1,315	13,335	8
Wood chips	645	11,812	604	12,152	161
Raw materials	3,752	38,967	3,386	39,988	843
Softwood lumber	597	3,743	656	4,187	171
Hardwood lumber	205	750	263	989	29
Plywood	27	113	57	257	2
Veneer	36	169	37	192	2
Other	6	N/A	8	N/A	5
Processed Products	871	4,775	1,021	5,625	209
Total	4,623	43,742	4,401	45,613	1,052

Source: Japan Lumber Journal, May 20, 1985; May 31, 1986; and June 20, 1986

There have been a number of favorable developments in the outlook for U.S. forest product exports to Japan, despite the continuing stagnation of the overall demand for wood in the Japanese market. One of the most important has been the substantial strengthening of the Japanese yen vs. the U.S. dollar, with the resulting effects on import prices. In addition, U.S. market development efforts in Japan have received a boost from the "Summit House" wood demonstration project and the increased commitment of the U.S. hardwood industry. Furthermore, U.S.-Japan forest product talks have resulted in a Japanese Government commitment to reduce import duties in 1987, and have brought about progress on several standards and certification issues. On the other hand, competition from some third country suppliers, especially Indonesia for plywood and the Soviet Union for wood chips, has intensified.

The production capacity of the Japanese forest products processing industry continues to be in surplus in view of the absence of recovery in wood demand from the higher levels of the 1970's. The situation has been compounded by lower import prices resulting from the stronger yen. Government financial incentives to scrap plywood production facilities are expected to lead to an especially sharp reduction of the sector's production capacity. Although total housing starts in Japan have been increasing moderately, there has been no such rise for the portion of that total representing wood-based housing.

BEST COPY AVAILABLE

Korea

Korea is a large net importer of wood products to meet specific to meet lumber and veneer requirements. Imports in 1985 were valued at about $624 million of which $514 million were logs and $110 million were processed products including lumber, veneer, particleboard, and hardboard. About 58 percent of the log imports were hardwood from Southeast Asia, primarily Malaysia. The United States was the major supplier of softwood logs although Chile and New Zealand also compete in this trade.

The United States is currently supplying more than 60 percent of Korea's softwood log imports, which increased substantially during the first 4 months of 1986. There are indications that less expensive softwood is replacing hardwood for some end uses such as furniture manufacture. The United States supplied most of Korea's medium density fiberboard (MDF), imports of which more than doubled in 1985. Imports of MDF are displacing particleboard imports, due to end-user preference and a slightly more favorable tariff level.

However, local MDF manufacture is planned for 1987. Tropical veneer and hardwood lumber imports increased by 40 to 50 percent last year, while domestic lumber production decreased, reflecting increased competition from southeast Asian producers.

Exports from Korea, of which plywood historically has been the major product, are estimated at roughly $100 million or less in 1985, considerably below recent years' levels. Softwood lumber shipments appear to have declined by 23 percent. Plywood exports declined sharply due to reduced demand in Middle East countries where the Korean construction industry has been heavily active in recent years.

Korea's plywood industry continues to decline, with last year's production level dropping to about one-third of the 6.9-billion square foot peak level reached in 1978. Increased competition from southeast Asian countries, sluggish demand from the domestic construction industry, and a sharp decline in construction contracts from the Middle East continue to further depress the industry.

Furniture and musical instrument manufacture promise to be growth areas, while no immediate recovery is foreseen for the domestic construction industry.

Indonesia

Indonesia remains the world's largest exporter of hardwood plywood. Recent data indicates a move to change the product mix, emphasizing growth in such products as siding and molding, hardboard, fiberboard, and particleboard. The value of total forest products exports was estimated at $1.1 billion by the FAO for 1984. It is expected that increased exports of plywood and products will replace revenues lost due to the ban on log exports.

Data recently received from Jakarta indicate generally lower levels of production of forest products than previously estimated for 1984 and 1985. However, exports, particularly of plywood and other processed products, appear slightly above levels previously estimated.

BEST COPY AVAILABLE

The revised production and export data for Indonesia is reported below:

	1984	1985	1986
Production:			
Logs (CUM)	22,551	23,000	25,000
Lumber (CUM)	6,750	6,469	7,000
Plywood (CUM)	3,710	4,236	5,000
Siding/Molding (CUM)	12	33	40
Flooring (CUM)	3	4	5
Hardboard, etc. (MT)	76,000	94,000	103,400
Wood chips (MT)	200,000	300,000	400,000
Exports:			
Logs (CUM)	1,732	0	0
Lumber (CUM)	1,296	1,649	2,000
Plywood (CUM)	3,020	3,760	4,000
Siding/Molding (CUM)	12	33	40
Flooring (CUM)	3	4	5
Hardboard, etc. (MT)	75,743	91,974	100,000
Wood chips (MT)	177,000	253,000	300,000

CUM = 1,000 Cubic Meters; MT = Metric Tons.

Production of logs may reach 25 million cubic meters in 1986, a level well below previous Indonesian Government forecasts, and also below the peak output level of the late 1970's. While production has increased in recent years, it has not grown at the rate Indonesian Government planners had envisioned. High input costs and stagnant world demand for wood products have contributed to this slower-than-expected growth. The Indonesian ban on log exports remains in effect.

The output of plywood in 1986 is forecast at 5 million cubic meters. Recent action by the Indonesian Government to restrict exports in order to improve the price of Indonesian plywood in the world market may cause exports to stagnate or increase only slightly from the 1985 level.

In a move to control the plywood trade, on April 21, 1986, the minister of trade signed a decree establishing a maximum quantity of plywood which may be exported during 1986. This quantity is to be broken down by quarters and is also divided among the currently operating plywood manufacturers on the basis of past performance. The unique aspect of the decree is that it does not actually specify the quota quantity, but instead indicates that the amount for 1986 will be in line with the actual quantity shipped during 1985 and in the 1986 period prior to the decree's issuance.

After the ministerial decree was issued, industry officials indicated that plywood shipments in 1986 would only approximate the 1985 level, but earnings would jump from about $800 million in 1985 to $1 billion in 1986. A more recent statement indicates that shipments may be about 4 million cubic meters. Also, as a result of the decree, the value of Indonesian plywood in various overseas markets rose from $10 to $40 per cubic meter.

BEST COPY AVAILABLE

Philippines

The domestic wood processing industry showed no signs of improvement in 1985. High operational costs, aging equipment, inadequate raw materials (logs) for processing, inadequate financing, and high interest rates have further depressed the industry. Also, the domestic demand for wood products is weak due to depressed consumer purchasing power and slackened construction activity. Export demand has also decreased due to increasing foreign competition. All of these factors have lead to under-utilization of wood processing capacities and decreased production of almost all wood products.

A major retooling program is planned in an effort to regain the competitiveness of Philippine wood products in the world market. Local wood processors plan to manufacture wood products with specifications different from those produced by other ASEAN countries.

The question remains, however, as to the availability and affordability of credit, financing and Government assistance to accomplish this program, but the Minister of Natural Resources has already expressed support for this program. Another constraint is the availability of logs for processing in view of the expected drop in log production. Therefore, a recovery within the local wood processing industry may not be visible this year.

The following tables present recent trends in production of logs and exports of logs and wood products.

Philippine Production of Tropical Hardwood Logs
(1,000 cubic meters)

1982	1983	1984	1985	1986
4,514	4,430	3,849	3,300	3,000

Source: Attache Reports.

Philippine Exports of Tropical Forest Products
(1,000 cubic meters)

	1982	1983	1984	1985	1986
Tropical Hardwood Logs	752	786	846	454	253
Tropical Hardwood Lumber	591	728	537	507	400
Tropical Hardwood Veneer	98	122	71	69	55
Tropical Hardwood Plywood	255	312	269	275	270

Source: Attache Reports

BEST COPY AVAILABLE

The Government of the Philippines has begun a stricter approach to combat the continuous problem of rampant deforestation in the Philippines. First, all logging activities in at least five provinces in Luzon and one province in Mindanao have been banned. Secondly, log exports will be banned beginning August 21, 1986. Lastly, the ministry of natural resources will continue to assess deforestation rates in other forest areas of the country with the announced intent to expand the logging ban to other provinces of Mindanao and the Visayas as needed. Considering all these developments, one can only expect a downtrend in log and total roundwood harvest in the coming years.

BEST COPY AVAILABLE

TABLE 1A. Wood Products: Quantity of U.S. Exports by Commodity, 1982-86

Commodity	1982	1983	1984	1985	1st Half 1985	1st Half 1986
Softwood Logs (M bd. ft.)	3,114,988	3,390,618	3,369,371	3,731,971	1,856,752	1,674,297
Hardwood Logs (M bd. ft.)	93,161	111,508	125,554	111,196	66,526	65,376
Poles, Piles, Posts, and Pitprops (no.)	2,765,684	1,917,247	1,283,990	1,466,301	1,266,281	440,449
Wood Chips (short tons)	2,860,133	2,514,176	2,325,163	2,317,989	1,141,845	1,043,267
Softwood Lumber (M bd. ft.)	1,615,430	1,733,771	1,586,187	1,504,802	754,802	923,967
Hardwood Lumber (M bd. ft.)	334,304	447,989	441,192	372,603	187,995	234,794
Softwood Flooring (M bd. ft.)	255	258	218	981	0	345
Hardwood Flooring (M bd. ft.)	21,406	29,209	24,664	23,284	11,142	11,066
Softwood Siding (M bd. ft.)	2,502	2,666	1,948	1,490	652	704
Hardwood Siding (M bd. ft.)	497	968	655	1,201	796	357
Softwood Molding (M linear feet)	142,169	182,704	116,125	144,001	56,617	79,636
Hardwood Molding (M linear feet)	65,602	17,797	25,806	23,506	11,180	25,825
Treated Lumber, Siding Flooring and Molding (M bd. ft.)	12,047	7,828	10,949	8,119	4,901	3,772
Softwood Railroad Ties (M bd. ft.)	4,632	11,095	24,331	2,870	1,248	218
Hardwood Railroad Ties (M bd. ft.)	29,733	36,130	60,289	29,997	10,059	10,279
Softwood Veneer (M sq. ft.)	336,739	414,964	367,752	307,641	165,995	181,295
Hardwood Veneer (M sq. ft.)	803,647	1,023,769	1,002,264	792,714	382,224	464,108
Softwood Plywood (M sq. ft.)	451,714	573,663	370,602	320,520	171,438	298,140
Hardwood Plywood (M sq. ft.)	41,260	41,135	36,658	44,023	22,466	28,705
Hardboard 1/ (See note)	46,793	60,405	63,865	192,090	91,153	108,558
Particleboard (M sq. ft.)	82,214	94,615	108,400	118,780	53,496	80,949
Other Panel Products 2/ (M sq. ft.)	137,645	154,646	160,262	131,570	63,653	83,360
Miscellaneous Wood Products 3/						

1/ Includes fiberboard with a density equal to or greater than 31 pounds per cubic foot.
2/ Includes laminated boards and fiberboards with a density less than 31 pounds per cubic foot.
3/ The various units of quantity included in this category make the total meaningless.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Hardboard is shown in short tons for 1981-84 and in thousand square feet for 1985-present.

BEST COPY AVAILABLE

21

TABLE 1B. Wood Products: Value of U.S. Exports by Commodity, 1982-86

Commodity	1982	1983	1984	1985	1st Half 1985	1st Half 1986
	$ Thousands, F.A.S. port of export					
Softwood Logs	1,174,180	1,068,481	1,079,202	1,169,133	581,494	539,826
Hardwood Logs	83,905	98,063	100,709	91,149	55,767	60,430
Poles, Piles, Posts, and Pitprops	27,290	24,724	22,945	16,347	7,922	9,648
Wood Chips	231,140	171,269	164,058	168,814	85,207	76,067
Softwood Lumber	574,838	600,859	529,406	492,383	248,085	307,394
Hardwood Lumber	216,133	287,896	282,132	247,597	124,148	161,710
Softwood Flooring	133	60	58	226	0	80
Hardwood Flooring	5,383	6,694	5,716	6,461	2,912	3,113
Softwood Siding	737	922	561	678	282	289
Hardwood Siding	162	357	398	265	113	111
Softwood Molding	3,256	5,891	3,816	4,646	1,855	2,967
Hardwood Molding	2,119	2,012	2,272	3,274	1,463	2,243
Treated Lumber, Siding Flooring and Molding	4,659	2,640	3,799	2,975	2,044	1,739
Softwood Railraod Ties	1,369	4,398	7,005	844	354	65
Hardwood Railroad Ties	7,126	9,826	11,600	9,037	2,430	2,233
Softwood Veneer	11,385	13,602	11,729	9,567	5,145	5,810
Hardwood Veneer	73,050	93,098	81,897	62,249	30,842	37,669
Softwood Plywood	107,249	135,724	86,526	75,220	39,948	64,287
Hardwood Plywood	9,468	7,486	7,953	10,463	4,979	6,586
Hardboard 1/	13,920	17,949	19,576	24,523	11,718	11,914
Particleboard	19,561	22,724	26,198	24,169	10,719	15,935
Other Panel Products 2/	30,962	32,248	35,228	32,333	15,396	20,529
Miscellaneous Wood Products 3/	237,224	216,034	205,758	211,888	102,055	108,441
TOTAL, SELECTED COMMODITIES	2,835,449	2,822,957	2,688,542	2,664,241	1,334,848	1,439,086

1/ Includes fiberboard with a density equal to or greater than 31 pounds per cubic foot.
2/ Includes laminated boards and fiberboards with a density less than 31 pounds per cubic foot.
3/ Includes such products as wood waste, pulpwood, building components, containers, and small industrial and household woodenware.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Totals may not add due to rounding.

BEST COPY AVAILABLE

TABLE 2. Wood Products: U.S. Exports by Country, 1982-86

Principal Markets	1982	1983	1984	1985	1st Half 1985	1st Half 1986	Ratio 1st Half 86/85
	$ Million, F.A.S. port of export						
Japan	1,276.6	1,079.5	1,021.1	1,068.7	525.8	582.1	1.11
Canada	287.4	404.3	381.3	342.4	174.1	163.4	0.94
China	217.0	235.7	287.8	328.9	171.9	123.3	0.72
West Germany	141.5	172.5	129.7	99.3	54.0	68.1	1.26
South Korea	98.8	114.4	106.1	117.8	61.8	67.8	1.10
Taiwan	22.2	42.3	65.0	72.6	31.2	59.8	1.92
United Kingdom	62.8	93.0	80.5	60.5	32.9	49.7	1.51
Italy	84.6	100.1	83.4	66.3	39.1	46.8	1.20
Mexico	56.6	39.4	58.7	76.0	33.2	39.0	1.17
Belgium/Luxembourg	67.0	69.2	42.6	39.3	21.8	26.1	1.19
Australia	43.8	55.4	68.8	64.0	33.9	25.9	0.76
Netherlands	34.5	45.8	30.5	27.9	14.9	22.8	1.52
SUBTOTAL	2,392.9	2,451.7	2,355.5	2,363.6	1,194.7	1,274.9	1.07
WORLD TOTAL	2,835.5	2,823.0	2,688.5	2,664.2	1,334.9	1,439.1	1.08

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

BEST COPY AVAILABLE

TABLE 3. Hardwood Products: U.S. Exports by Commodity, 1984-86

COMMODITY	1984	1985	1st Half 1985	1st Half 1986	Ratio 1st Half 86/85
	QUANTITY				
Logs (1000 bd. ft.)	125,554	111,196	66,526	65,376	0.98
Railroad Ties (1000 bd. ft.)	60,289	29,997	10,059	10,279	1.02
Lumber (1000 bd. ft.)	441,192	372,603	187,995	234,794	1.25
Siding (1000 bd. ft.)	655	1,201	796	357	0.45
Flooring (1000 bd. ft.)	24,664	23,284	11,142	11,066	0.99
Molding (1000 linear ft.)	25,806	23,506	11,180	25,825	2.31
Veneer (1000 sq. ft.)	1,014,559	792,714	382,224	464,108	1.21
Plywood (1000 sq. ft.)	36,658	44,023	22,466	28,705	1.28
	VALUE ($ Million)				
Logs	100.7	91.1	55.8	60.4	1.08
Railroad Ties	11.6	9.0	2.4	2.2	0.92
Lumber	282.1	247.6	124.1	161.7	1.30
Siding	0.4	0.3	0.1	0.1	0.98
Flooring	5.7	6.5	2.9	3.1	1.07
Molding	2.3	3.3	1.5	2.2	1.53
Veneer	82.1	62.2	30.8	37.7	1.22
Plywood	8.0	10.5	5.0	6.6	1.32
TOTAL VALUE	492.9	430.5	222.7	274.1	1.23

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

BEST COPY AVAILABLE

TABLE 4. Hardwood Products: U.S. Exports by Country, 1984-86

Country	1984	1985	1st Half 1985	1st Half 1986	Ratio 1st Half 86/85
	($ Millions, F.A.S. value basis)				
West Germany	99.0	71.1	40.6	47.6	1.17
Canada	118.9	96.2	51.4	47.2	0.92
Taiwan	48.8	59.0	25.8	44.5	1.73
Japan	46.5	40.8	20.4	32.2	1.58
United Kingdom	21.4	18.6	8.9	15.8	1.77
Belgium/Luxembourg	27.6	25.3	14.1	14.6	1.03
Italy	25.3	19.5	13.1	13.7	1.05
Mexico	12.3	12.7	6.5	7.2	1.12
Spain	5.2	6.8	3.3	6.5	2.00
South Korea	7.6	8.9	4.4	6.5	1.46
Netherlands	12.1	8.9	4.5	6.3	1.18
France	10.4	9.8	5.6	5.3	0.96
Brazil	7.9	7.1	2.2	2.1	0.96
Other Countries	49.9	45.7	21.8	24.4	1.12
TOTAL	492.9	430.5	222.7	274.1	1.23

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

BEST COPY AVAILABLE

BEST COPY AVAILABLE

TABLE 5. Hardwood Logs: U.S. Exports by Country, 1985-86

Country	1985				1986			Ratio
	1st Qtr.	2nd Qtr.	1st Half	Total	1st Qtr.	2nd Qtr.	1st Half	1st Half 86/85
	1000 Board Feet							
West Germany	8,666	8,957	17,623	24,779	15,750	5,432	21,182	1.20
Taiwan	3,923	5,736	9,659	18,473	4,424	6,723	11,147	1.15
Canada	15,247	5,852	21,099	33,349	5,984	4,298	10,282	0.49
Japan	1,418	1,731	3,149	5,218	3,424	3,250	6,674	2.12
South Korea	1,018	1,070	2,088	3,062	1,799	1,622	3,421	1.64
Italy	2,261	1,253	3,514	4,574	926	1,542	2,468	0.70
Mexico	326	375	701	1,455	1,070	1,109	2,179	3.11
Belgium/Luxembourg	915	685	1,600	2,430	1,263	470	1,733	1.08
Brazil	1,914	123	2,037	10,811	0	1,575	1,575	0.77
Singapore	96	246	342	554	351	733	1,084	3.17
France	443	392	835	1,381	323	716	1,039	1.24
Spain	256	246	502	726	500	310	810	1.61
Netherlands	331	151	482	963	639	59	698	1.45
Switzerland	293	382	675	755	347	79	426	0.63
Austria	461	1,009	1,470	1,524	134	90	224	0.15
United Kingdom	304	45	349	361	34	98	132	0.38
Other Countries	85	316	401	781	187	115	302	0.75
TOTAL	37,957	28,569	66,526	111,196	37,155	28,221	65,376	0.98

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

TABLE 6. Hardwood Lumber: U.S. Exports by Country, 1985-86

Country	1985				1986			Ratio
	1st Qtr.	2nd Qtr.	1st Half	Total	1st Qtr.	2nd Qtr.	1st Half	1st Half 86/85
	1000 Board Feet							
Canada	34,576	34,525	69,101	130,558	34,804	35,058	69,862	1.01
Taiwan	8,172	10,901	19,073	46,641	17,312	23,081	40,393	2.12
Japan	10,210	9,695	19,905	43,372	13,587	16,195	29,772	1.50
United Kingdom	4,403	4,438	8,841	18,000	6,511	7,054	13,565	1.53
Belgium/Luxembourg	6,999	6,713	13,712	24,591	7,003	6,380	13,383	0.98
West Germany	6,233	4,753	10,986	21,195	5,586	7,375	12,961	1.18
Italy	4,005	3,973	7,978	12,793	4,460	5,499	9,959	1.25
Mexico	4,234	3,996	8,230	15,770	3,973	4,068	8,041	0.98
Netherlands	2,930	2,183	5,113	11,100	3,341	3,186	6,527	1.28
Spain	1,479	1,318	2,797	6,315	2,579	2,312	4,891	1.75
France	3,047	2,381	5,428	7,928	2,234	2,215	4,449	0.82
Other Countries	9,639	7,192	16,831	34,340	10,395	10,396	20,991	1.25
TOTAL	95,927	92,068	187,995	372,603	111,985	122,809	234,794	1.25

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

BEST COPY AVAILABLE

17

BEST COPY AVAILABLE

TABLE 7. Hardwood Veneer: U.S. Exports by Country, 1985-86

Country	1985				1986			Ratio
	1st Qtr.	2nd Qtr.	1st Half	Total	1st Qtr.	2nd Qtr.	1st Half	1st Half 86/85
	1000 Square Feet							
West Germany	61,740	58,188	119,928	276,116	95,046	91,378	186,424	1.55
Canada	37,472	40,831	78,303	145,476	32,317	35,168	67,485	0.86
Taiwan	13,524	12,116	25,640	76,250	23,724	26,511	50,235	1.96
United Kingdom	7,460	13,829	21,289	46,629	13,638	14,780	28,418	1.33
Korea, South	2,600	4,600	7,200	19,932	6,726	9,348	16,074	2.23
Italy	8,310	4,111	12,421	27,135	5,120	8,891	14,011	1.13
Spain	1,434	1,189	2,623	9,690	4,877	9,003	13,880	5.29
Belgium/Luxembourg	7,314	8,281	15,595	24,136	5,306	3,690	8,996	0.58
France	3,129	1,931	5,060	11,708	4,951	3,374	8,325	1.65
Israel	418	146	564	1,031	4,373	2,611	6,984	12.38
Denmark	2,314	16,195	18,509	25,348	3,611	2,542	6,153	0.33
Singapore	1,695	1,368	3,063	8,029	3,179	2,671	5,850	1.91
Japan	5,083	1,395	6,478	12,046	1,698	2,671	4,369	0.67
Egypt	2,139	0	2,139	4,880	1,813	2,218	4,031	1.88
Australia	468	519	987	2,683	1,633	2,081	3,714	3.76
Switzerland	9,389	5,432	14,821	24,483	718	2,581	3,299	0.22
Norway	1,782	4,373	6,155	8,980	1,950	1,254	3,204	0.52
Sweden	7,934	6,139	14,073	16,299	0	2,284	2,284	0.16
Mexico	1,023	741	1,764	4,602	1,001	76	1,077	0.61
Finland	3,237	0	3,237	4,275	408	116	524	0.16
Other Countries	10,494	11,881	22,375	42,986	2,837	25,934	28,771	1.29
TOTAL	188,959	193,265	382,224	792,714	214,926	249,182	464,108	1.21

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

28

TABLE 8. Hardwood Plywood: U.S. Exports by Country, 1985-86

Country	1985 1st Qtr.	1985 2nd Qtr.	1985 1st Half	1985 Total	1986 1st Qtr.	1986 2nd Qtr.	1986 1st Half	Ratio 1st Half 86/85
	1000 Square Feet							
Canada	4,011	4,056	8,067	16,754	3,238	4,035	7,273	0.90
United Kingdom	9	9	18	943	5,150	1,011	6,161	342.28
Mexico	1,307	3,018	4,325	9,336	1,660	2,408	4,068	0.94
Israel	0	0	0	484	3,687	0	3,687	NA
Taiwan	275	0	275	277	0	1,166	1,166	4.24
West Germany	408	287	695	695	1,032	0	1,032	1.48
Singapore	0	0	0	0	0	938	938	NA
Cayman Islands	294	312	606	1,114	357	285	642	1.06
Trinidad and Tobago	121	628	749	1,174	480	22	502	0.67
Jamaica	12	51	63	1,036	460	25	485	7.70
Bahamas	217	184	401	989	227	237	464	1.16
British Virgin Islands	174	207	381	871	220	221	441	1.16
South Korea	1	6	7	7	430	0	430	61.43
Netherlands Antilles	142	99	241	762	122	141	263	1.09
Barbados	0	0	0	25	200	0	200	NA
Bermuda	91	153	244	392	62	93	155	0.64
Haiti	146	205	351	775	134	7	141	0.40
Netherlands	660	0	660	660	0	108	108	0.16
Pacific Trust Territories	98	40	138	270	15	16	31	0.22
Saudi Arabia	1,221	2,934	4,155	4,538	0	0	0	0.00
Sweden	176	0	176	176	0	0	0	0.00
Other Countries	200	714	914	2,745	259	624	883	0.97
TOTAL	9,563	12,903	22,466	44,023	17,733	10,972	28,705	1.28

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

NA: Not Applicable

BEST COPY AVAILABLE

19

TABLE 9. Softwood Products: U.S. Exports by Commodity, 1984-86

Commodity	1984	1985	1st Half 1985	1st Half 1986	Ratio 1st Half 86/85
	Quantity				
Logs (1000 bd. ft.)	3,369,371	3,731,971	1,856,752	1,674,297	0.90
Railroad Ties (1000 bd. ft.)	24,331	2,870	1,248	218	0.17
Lumber (1000 bd. ft.)	1,586,187	1,504,802	754,802	923,967	1.22
Siding (1000 bd. ft.)	1,948	1,490	652	704	1.08
Flooring (1000 bd. ft.)	218	981	0	345	NA
Molding (1000 linear ft.)	116,125	144,001	56,617	79,636	1.41
Treated Lumber, etc. (1000 bd. ft.)	10,949	8,119	4,901	3,772	0.77
Veneer (1000 sq. ft.)	356,142	307,641	165,995	181,295	1.09
Plywood (1000 sq. ft.)	370,602	320,520	171,438	298,140	1.74
Wood Chips (short tons)	2,325,163	2,317,989	1,141,845	1,043,267	0.91
Poles, Posts and Pilings (no.)	1,283,990	1,466,301	1,266,281	440,449	0.35
	Value ($ Million)				
Logs	1,079.2	1,169.1	581.5	539.8	0.93
Railroad Ties	7.0	0.8	0.4	0.1	0.18
Lumber	529.4	492.4	248.1	307.4	1.24
Siding	0.6	0.7	0.3	0.3	1.02
Flooring	0.1	0.2	0.0	0.1	NA
Molding	3.8	4.6	1.9	3.0	1.60
Treated Lumber, etc.	3.8	3.0	2.0	1.7	0.85
Veneer	11.6	9.6	5.1	5.8	1.13
Plywood	86.5	75.2	39.9	64.3	1.61
Wood Chips	164.1	168.8	85.2	76.1	0.89
Poles, Piles and Posts	22.9	16.3	7.9	9.6	1.22
TOTAL VALUE	1,909.0	1,940.8	972.3	1,008.2	1.04

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

NA: Not Applicable

BEST COPY AVAILABLE

TABLE 10. Softwood Products: U.S. Exports by Country, 1984-86

Country	1984	1985	1st Half 1985	1st Half 1986	Ratio 1st Half 86/85
	($ Millions, F.A.S. value basis)				
Japan	955.3	1,009.0	5.2	536.6	1.08
China	283.8	328.2	1.3	122.7	0.72
Canada	167.6	165.3	83.0	78.7	0.95
South Korea	89.7	97.3	52.2	53.8	0.60
Italy	55.1	43.3	24.1	31.4	1.30
United Kingdom	40.3	26.6	16.5	24.0	1.46
Australia	62.4	55.5	30.5	22.5	0.54
Mexico	27.0	38.5	16.2	16.4	1.01
Netherlands	13.7	14.6	8.3	14.5	1.73
West Germany	19.8	15.8	6.8	13.2	1.93
Denmark	11.9	9.1	3.9	11.4	2.95
Belgium/Luxembourg	13.3	12.2	6.6	9.9	1.51
Other Countries	169.1	125.4	57.7	72.9	1.26
TOTAL VALUE	1,909.0	1,940.8	972.3	1,008.2	1.04

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

BEST COPY AVAILABLE

TABLE 11. Softwood Logs: U.S. Exports by Country, 1985-86

Country	1985				1986			Ratio
	1st Qtr.	2nd Qtr.	1st Half	Total	1st Qtr.	2nd Qtr.	1st Half	1st Half 86/85
	1000 Board Feet							
Japan	456,892	457,632	914,524	1,893,851	441,230	488,957	930,187	1.02
China	165,600	378,528	544,128	1,068,977	236,455	175,708	412,163	0.76
South Korea	92,056	83,496	175,542	324,389	68,995	106,530	175,525	1.00
Canada	171,541	36,604	208,145	412,051	121,094	23,436	144,530	0.69
Hong Kong	4,091	6,167	10,258	25,370	0	5,001	5,001	0.49
Taiwan	503	276	779	1,357	128	3,228	3,356	4.31
Mexico	80	413	493	1,450	355	422	777	1.58
Italy	525	212	737	1,153	583	189	772	1.05
Dominican Republic	0	0	0	108	469	17	486	NA
Spain	100	104	204	386	85	238	323	1.58
Turkey	1,016	0	1,016	1,016	16	56	72	0.07
United Kingdom	27	23	50	64	0	38	38	0.76
Greece	138	0	138	150	22	0	22	0.16
Other Countries	552	186	738	1,649	362	683	1,045	1.42
TOTAL	893,121	963,631	1,856,752	3,731,971	869,794	804,503	1,674,297	0.90

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

NA: Not applicable.

TABLE 12: Softwood Lumber: U.S. Exports by Country, 1985-86

Country	1985 1st Qtr.	1985 2nd Qtr.	1985 1st Half	1985 Total	1986 1st Qtr.	1986 2nd Qtr.	1986 1st Half	Ratio 1st Half 86/85
	1000 Board Feet							
Japan	155,957	130,388	286,375	574,179	199,724	180,940	380,664	1.33
Canada	64,062	80,517	144,579	294,387	86,206	91,416	177,622	1.23
Australia	41,471	47,161	88,632	158,883	35,671	33,394	69,065	0.78
Mexico	17,783	25,498	43,281	109,511	30,839	31,436	62,275	1.44
Italy	21,619	21,061	42,680	77,404	22,402	27,041	49,443	1.16
United Kingdom	6,844	8,017	14,861	27,110	12,143	12,211	24,354	1.64
Spain	4,657	6,760	11,417	26,398	8,916	11,302	20,218	1.77
Dominican Republic	5,464	9,356	14,820	29,678	7,269	8,338	15,607	1.05
West Germany	4,227	4,066	8,293	18,796	6,289	7,061	13,350	1.61
French Pacific Islands 1/	2,510	2,034	4,544	15,093	6,089	6,226	12,315	2.71
Netherlands	2,705	573	3,278	4,529	10,204	1,082	11,286	3.44
Bahamas	3,775	4,674	8,449	14,995	5,004	5,021	10,025	1.19
Trinidad and Tobago	1,900	4,341	6,241	14,571	4,600	4,635	9,235	1.48
Greece	2,710	3,389	6,099	12,616	3,476	4,479	7,955	1.30
Belgium/Luxembourg	1,287	1,067	2,354	5,112	4,678	2,548	7,226	3.07
South Korea	1340	1144	2,484	5,686	1,157	4,758	5,915	2.38
China	6,750	10,056	16,806	16,820	5,296	0	5,296	0.32
Jamaica	5,351	4,718	10,069	22,982	780	4,460	5,240	0.52
Saudi Arabia	4,872	2,211	7,083	10,962	3,396	737	4,133	0.58
Other Countries	16,334	4,617	20,951	77,499	14,339	28,359	42,698	2.04
TOTAL	371,648	383,154	754,802	1,504,802	468,478	455,489	923,967	1.22

1/ French Pacific Islands formerly reported as New Caledonia.

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

BEST COPY AVAILABLE

BEST COPY AVAILABLE

TABLE 13. Softwood Plywood: U.S. Exports by Country, 1985-86

Country	1985				1986			Ratio
	1st Qtr.	2nd Qtr.	1st Half	Total	1st Qtr.	2nd Qtr.	1st Half	1st Half 86/85
	1000 Square Feet							
United Kingdom	36,516	8,418	44,934	65,638	49,355	12,712	62,067	1.38
Denmark	12,414	602	13,016	35,574	31,135	26,780	57,915	4.45
Netherlands	24,788	2,499	27,287	48,615	46,705	3,101	49,806	1.83
Belgium/Luxembourg	22,323	5,593	27,916	49,806	24,693	11,132	35,825	1.28
West Germany	3,987	4,671	8,658	21,360	20,056	3,997	24,053	2.78
Canada	8,192	5,518	13,710	25,237	12,656	9,282	21,938	1.60
Trinidad and Tobago	585	2,332	2,917	5,772	1,882	3,997	5,879	2.02
French Pacific Islands 1/	576	682	1,258	6,586	2,242	2,779	5,021	3.99
Bahamas	1,685	1,813	3,498	8,299	2,615	2,063	4,678	1.34
Japan	1,937	1,574	3,511	6,206	1,966	2,316	4,282	1.22
Mexico	7,562	4,908	12,470	19,976	2,240	1,829	4,069	0.33
France	698	228	926	2,918	2,312	1,128	3,440	3.71
Pacific Trust Territories	919	1,048	1,967	3,438	444	486	930	0.47
Other Countries	3,343	6,027	9,370	21,095	8,887	15,109	23,996	2.56
TOTAL	125,525	45,913	171,438	320,520	207,188	90,952	298,140	1.74

1/ French Pacific Islands formerly reported as New Caledonia.

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

TABLE 14. Wood Chips: U.S. Exports by Country, 1985-86

Country	1985 1st Qtr.	1985 2nd Qtr.	1985 1st Half	1985 Total	1986 1st Qtr.	1986 2nd Qtr.	1986 1st Half	Ratio 1st Half 86/85
	Short Tons							
Japan	550,491	549,889	1,100,380	2,169,430	467,273	519,602	986,875	0.90
Canada	8,141	31,944	40,085	80,078	17,269	14,121	31,390	0.78
Sweden	0	0	0	47,070	20,746	0	20,746	NA
Taiwan	0	0	0	0	1,798	0	1,798	NA
Mexico	452	0	452	452	30	790	820	1.81
Australia	0	35	35	105	86	176	262	7.49
Hong Kong	0	57	57	57	0	83	83	1.46
Belgium/Luxembourg	65	0	65	65	0	0	0	0.00
Finland	0	0	0	19,699	0	0	0	NA
West Germany	211	0	211	211	0	0	0	0.00
Other Countries	93	467	560	822	199	1,094	1,293	2.31
TOTAL	559,453	582,392	1,141,845	2,317,989	507,401	535,866	1,043,267	0.91

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

NA: Not applicable.

BEST COPY AVAILABLE

BEST COPY AVAILABLE

TABLE 15. Softwood Veneer: U.S. Exports by Country, 1985-86

Country	1985 1st Qtr.	1985 2nd Qtr.	1985 1st Half	1985 Total	1986 1st Qtr.	1986 2nd Qtr.	1986 1st Half	Ratio 1st Half 86/85
	1000 Square Feet							
Canada	60,303	56,857	117,160	195,753	37,582	41,478	79,060	0.67
Japan	18,892	4,464	23,356	56,274	16,601	46,112	62,713	2.69
West Germany	1,880	5,639	7,519	19,725	8,064	5,936	14,000	1.86
Mexico	2,810	1,888	4,698	13,396	3,943	2,512	6,455	1.37
Denmark	4,737	0	4,737	8,272	2,614	1,452	4,066	0.86
Taiwan	421	211	632	1,064	1,184	743	1,927	3.05
Italy	0	1,682	1,682	3,286	1,032	799	1,831	1.09
United Kingdom	205	539	744	1,062	570	1,227	1,797	2.42
Belgium/Luxembourg	210	30	240	894	390	656	1,046	4.36
Bahamas	5	370	375	1,023	703	0	703	1.87
France	0	548	548	548	0	211	211	0.39
Singapore	511	166	677	1,060	0	207	207	0.31
Australia	0	18	18	18	0	0	0	0.00
Guatemala	246	0	246	246	0	0	0	0.00
Jamaica	0	0	0	388	0	0	0	NA
Venezuela	1,687	1,398	3,085	3,085	0	0	0	0.00
Other Countries	216	62	278	1,347	462	7,235	7,697	27.69
TOTAL	92,123	73,872	165,995	307,641	73,145	108,150	181,295	1.09

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

NA: Not applicable.

TABLE 16. Wood Products: U.S. Trade Balance
by Commodity, January-June, 1986

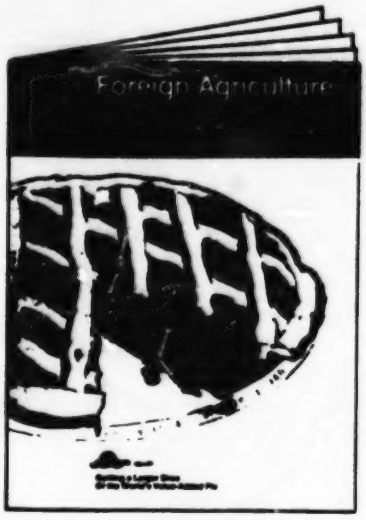
Commodity	Exports	Imports	Net Balance
	($1,000)		
Softwood Logs	539,826	2,259	537,567
Hardwood Logs	60,430	1,897	58,533
Poles, Piles and Posts	9,648	7,605	2,043
Wood Chips	76,067	11,238	64,829
Softwood Lumber	307,394	1,503,947	(1,196,553)
Hardwood Lumber	161,710	67,250	94,460
Softwood Flooring	80	273	(193)
Hardwood Flooring	3,113	15,201	(12,088)
Siding	400	71,753	(71,353)
Molding	5,210	51,297	(46,087)
Treated Lumber, Flooring, Siding & Molding	1,739	11,264	(9,525)
Railroad Ties	2,298	1,952	346
Softwood Veneer	5,810	8,966	(3,156)
Hardwood Veneer	37,669	57,351	(19,682)
Softwood Plywood	64,287	18,020	46,267
Hardwood Plywood	6,586	247,469	(240,883)
Hardboard	11,914	29,508	(17,594)
Particleboard	15,935	71,212	(55,277)
Cellular Wood Panels	756	50	706
Gypsum & Plaster Board	4,380	47,933	(43,553)
Other Panel Products	15,393	17,178	(1,785)
Miscellaneous Wood Products	108,441	416,506	(308,065)
TOTAL	1,439,086	2,660,129	(1,221,043)

Source: U.S. Department of Commerce.

Note: May not add to totals due to rounding.

*U.S.GOVERNMENT PRINTING OFFICE:1986-490-916:40522/FAS

BEST COPY AVAILABLE



Do you need information about

- Overseas markets and buying trends?
- New competitors and products?
- Trade policy developments?
- Overseas promotional activities?

Then **Foreign Agriculture** — USDA's fact-filled monthly agricultural trade magazine — is for you. Based on official USDA data available nowhere else, **Foreign Agriculture** articles are clear and crisp, written to provide the export information you need, in a concise and extremely readable form.

Special information is found in **Foreign Agriculture's** telegraphed, targeted news departments: Fact File, Country Briefs, Trade Updates and Marketing News. And its tables and graphs will give you an immediate grasp of what's going on overseas.

In addition, periodic special issues—such as the one devoted entirely to value-added exports—will give you a wide range of detailed information about overseas markets.

If you use agricultural facts and figures in your business, you need **Foreign Agriculture.**

Subscribe today! Just $16.00 ($20.00 for foreign delivery) brings you Foreign Agriculture for 12 full months.

SUBSCRIPTION ORDER FORM

Please print or type

Write check payable to:
Superintendent of Documents

MAIL ORDER FORM TO:

Superintendent of Documents
Government Printing Office
Washington, D.C. 20402

For Office Use Only

Quantity — Charges

_____ Publications _____
_____ Subscriptions _____
Special Shipping Charges _____
International Handling _____
Special Charges _____
OPNR _____
_____ UPNS
_____ Balance Due
_____ Discount
_____ Refund

Enter My Subscription To FOREIGN AGRICULTURE

$16.00 domestic (United States and its possessions); $20.00 foreign. The Government Printing Office requires that foreign addressees send international money orders, UNESCO coupons, or checks drawn on a domestic bank only.

Enclosed is $_____
☐ Check
☐ Money order
☐ Charge to my Deposit Account
No. _____
Order No. _____

Credit Card Orders Only (Visa and Mastercard)
Total charges $ _____
Credit card No. _____
Expiration Date Month/Year _____

Name—First, Last
Company Name or Additional Address Line
Street Address
City — State — Zip Code
Country

BEST COPY AVAILABLE

FAS Circulars: Market Information For Agricultural Exporters

As an agricultural exporter, you need timely, reliable information on changing consumer preferences, needs of foreign buyers, and the supply and demand situation in countries around the world.

The Foreign Agricultural Service can provide that information in its commodity circulars.

World agricultural information and updates on special FAS export services for the food and agricultural trade all are available in these periodic circulars.

For a sample copy of these reports—which can supply you with the information you need to make sound business decisions—check the box indicated, fill out the address form and mail it today.

To subscribe: Indicate which publications you want. Send a check for the total amount payable to the Foreign Agricultural Service. Only checks on U.S. banks, cashier's checks, or international money orders will be accepted. NO REFUNDS CAN BE MADE. Mail this form to: Foreign Agricultural Service
Information Division
Room 4844-S
U.S. Department of Agriculture
Washington, D.C. 20250

No. of Subscriptions			Subscription Rate	
			Domestic	Foreign
____	10002	Cocoa (2 issues)	$ 3.00	$4.00
____	10003	Coffee (3 issues)	5.00	10.00
____	10004	Cotton (12 issues)	20.00	30.00
		Dairy, Livestock & Poultry:		
____	10005	Export Trade & Prospects (8 issues)	14.00	22.00
____	10006	Meat & Dairy Monthly Imports (12 issues)	20.00	25.00
____	10007	Dairy Situation (2 issues)	3.00	4.00
____	10008	Livestock & Poultry Situation (2 issues)	4.00	7.00
____	10009	All 24 Reports Listed Above	41.00	56.00
		Grains:		
____	10010	World Grain Situation & Outlook (16 issues)	28.00	41.00
____	10011	Export Markets for U.S. Grain (12 issues)	20.00	30.00
____	10013	USSR Grain Situation & Outlook (12 issues)	15.00	20.00
____	10014	All 40 Reports Listed Above	63.00	91.00
____	10015	Horticultural Products (12 issues)	20.00	30.00
____	10016	Oilseeds & Products (13 issues)	27.00	42.00
____	10017	Seeds (4 issues)	9.00	15.00
____	10018	Sugar, Molasses & Honey (3 issues)	5.00	8.00
____	10019	Tea, Spices & Essential Oils (3 issues)	5.00	7.00
____	10020	Tobacco (12 issues)	25.00	40.00
____	10021	World Crop Production (12 issues)	18.00	25.00
____	10023	Wood Products (4 issues)	7.00	10.00

____ Total Reports Ordered

Total Subscription Price _____

☐ Please send me a sample copy.

Enclosed is my Check for $_____ Made Payable to Foreign Agricultural Service.

Name (Last, first, middle initial)

Organization or Firm

Street or P.O. Box Number

City State Zip Code

Country

FAS-020 (Rev. 9-84)

BEST COPY AVAILABLE

76-J A67.18:WP-4-86
COMPLETED 53

United States Department of Agriculture

Foreign Agricultural Service

WP 4-86
November 1986

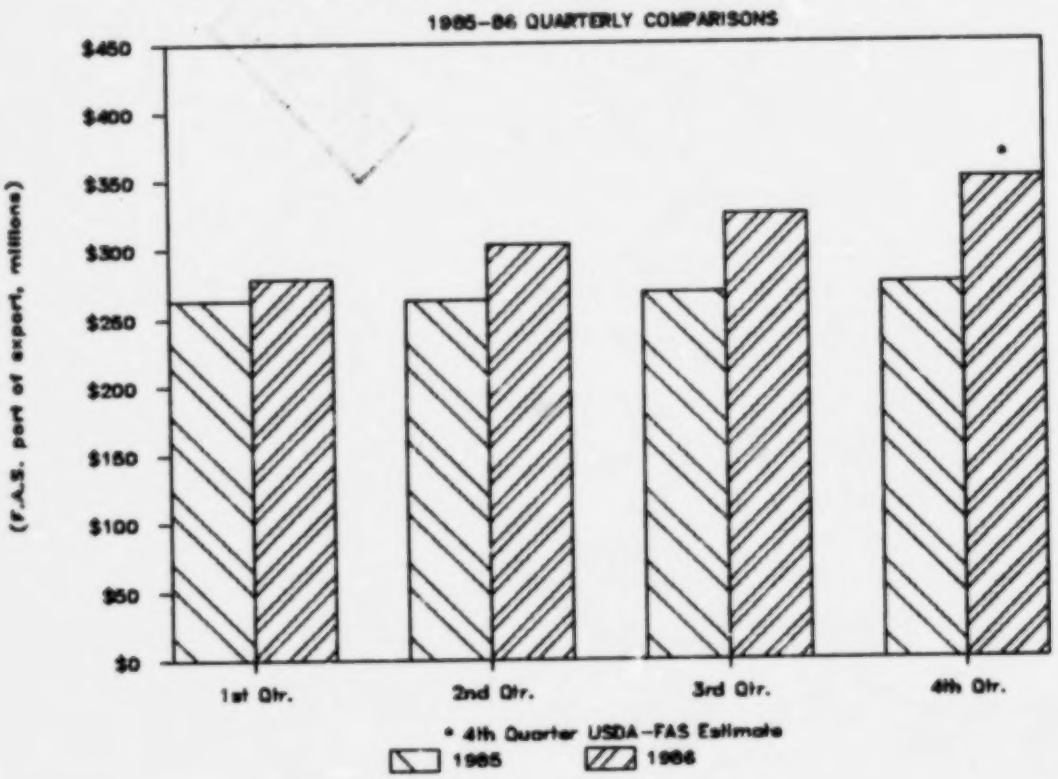
Foreign Agriculture Circular

Wood Products

International Trade and Foreign Markets

ORIGINAL

U.S. EXPORTS OF WOOD PRODUCTS TO JAPAN



BEST COPY AVAILABLE

SUBSCRIPTION INFORMATION

Wood Products Circular

The Foreign Agricultural Service publishes quarterly circulars covering the world supply and demand situation for wood products. The circulars are available on an annual subscription basis. The charge for four issues is US$7.00 for domestic mailing, and US$10.00 for foreign mailing.

To order, send a check for the total amount payable to the Foreign Agricultural Service. Only checks on U.S. banks, cashier's checks, or international money orders will be accepted. No refunds can be made. Subscription requests should include your name, organization or firm, street or P.O. box number, city, state (or country), and zip code. Mail your request to:

Foreign Agricultural Service
Information Division
Room 4644-South Building
U.S. Department of Agriculture
Washington, D.C. 20250

Telephone: (202) 382-9445

Commodity Reports

Foreign Agricultural Service agricultural counselors and attaches report on wood product marketing and other economic information on an annual basis for 30 selected countries. The subscription price for the scheduled reports, voluntary reports, and report updates is US$90.00 for the year ending May 1987. Checks (payable to the Foreign Agricultural Service) should be sent to:

Reports Officer
Foreign Agricultural Service
U.S. Department of Agriculture
Room 6058-South Building
Washington, D.C. 20250

Telephone: (202) 382-8924

WOOD PRODUCTS: INTERNATIONAL TRADE AND FOREIGN MARKETS
JANUARY-SEPTEMBER, 1986

CONTENTS

	Page
SUBSCRIPTION INFORMATION	2
SUMMARY	4
HARDWOOD	4
SOFTWOOD	6
RECENT DEVELOPMENTS	
Update on Pacific Basin Housing Conference	7
Update on CVD Case - Canadian Lumber	7
Japanese Imports of U.S. Logs to Increase In Fourth Quarter of 1986	8
Market Development Funding Approved	8
Credit Guarantees for Mexico	9
Venezuela Moves Against Imports of Wood Products	9
Venezuela Tariff Rates Under the Andean Pact	9
REPORTS FROM OVERSEAS	
China	11
Egypt	14
New Zealand	15
Spain	17
South Africa	18
TABLES	
TABLE 1A. Wood Products: Quantity of U.S. Exports by Commodity, 1982-86	20
TABLE 1B. Wood Products: Value of U.S. Exports by Commodity, 1982-86	21
TABLE 2. Wood Products: U.S. Exports by Country, 1982-86	22
TABLE 3. Hardwood Products: U.S. Exports by Commodity, 1984-86.	23
TABLE 4. Hardwood Products: U.S. Exports by Country, 1984-86	24
TABLE 5. Hardwood Logs: U.S. Exports by Country, 1985-86	25
TABLE 6. Hardwood Lumber: U.S. Exports by Country, 1985-86	26
TABLE 7. Hardwood Veneer: U.S. Exports by Country, 1985-86	27
TABLE 8. Hardwood Plywood: U.S. Exports by Country, 1985-86	28
TABLE 9. Softwood Products: U.S. Exports by Commodity, 1984-86.	29
TABLE 10. Softwood Products: U.S. Exports by Country, 1984-86	30
TABLE 11. Softwood Logs: U.S. Exports by Country, 1985-86	31
TABLE 12. Softwood Lumber: U.S. Exports by Country, 1985-86	32
TABLE 13. Softwood Plywood: U.S. Exports by Country, 1985-86	33
TABLE 14. Wood Chips: U.S. Exports by Country, 1985-86	34
TABLE 15. Softwood Veneer: U.S. Exports by Country, 1985-86	35
TABLE 16. Wood Products: U.S. Trade Balance by Commodity, January - September, 1986	36

BEST COPY AVAILABLE

SUMMARY

U.S. wood product exports to all countries for the period January-September 1986 were $2.2 billion, up 8 percent over the same period last year. Total U.S. wood product exports of $730 million in the third quarter of 1986 were up $63 million, roughly 10 percent, over the same period in 1985. U.S. hardwood products were $400 million for January-September, an increase of 24 percent over same period in 1985. U.S. softwood product exports rose a moderate 3 percent over the first three quarters of last year to $1.5 billion. Preliminary indications are that total U.S. exports of wood products could reach nearly $3 billion dollars by year's end.

U.S. exports of softwood lumber and hardwood lumber have made large inroads in Japan, Taiwan, and the European Community, and have offset the dramatic decline in U.S. softwood log exports to China. For the period January-September, China imports of softwood logs were $149 million, off $113 million or 43 percent from last year's record levels.

U.S. Wood Exports for January - September, 1986
(F.A.S. Value Basis, in Millions of Dollars)

	Japan	Canada	China	Other	TOTAL
Softwood Logs	551	36	148	76	812
Softwood Lumber	174	68	1	207	451
So. wood Plywood	1	8	0	78	88
Hardwood Logs	10	5	0	55	71
Hardwood Lumber	33	51	0	164	249
Hardwood Plywood	0	1	0	7	9
Wood Chips	111	5	0	2	118
Other Products	24	82	1	259	367
TOTAL	907	259	151	850	2,169

Total U.S. imports were $4.12 billion for the period January-September, up 10 percent over the same period last year. Import increases are largely attributable to increased imports of softwood lumber from Canada which currently exceed $2.34 billion or 11.36 billion board feet. U.S. imports of softwood lumber from Canada are expected to slow in the final quarter of 1986. The International Trade Administration issued a preliminary ruling on October 16 which found that Canadian lumber producers and exporters are receiving subsidies. Under the ruling, a duty of 15 percent is to be levied against all imports of softwood lumber from Canada. Estimated U.S. annual production of softwood lumber for 1986 is expected to be roughly 31 billion board feet.

HARDWOOD

Total U.S. hardwood product exports were $400 million for the period January-September, 1986 with exports for the third quarter at $126 million. U.S. exports of hardwood products have shown strong increases in the Taiwanese, West German, and South Korean markets.

U.S. exports of hardwood lumber are up sharply over last year's levels at nearly $250 million for the period January-September 1986. Sales of both red and white oak showed significant increases. European demand for hardwood lumber appears to have firmed again as shown in the following table:

U.S. Hardwood Lumber Exports to the European Community
($1,000, F.A.S. Port of Export)

Country	Jan.-Sept. 1985	Jan.-Sept. 1986
Belgium/Luxembourg	15,143	17,346
Denmark	1,154	1,268
France	5,160	4,574
Greece	136	356
Ireland	938	1,268
Italy	8,104	11,604
Netherlands	5,762	7,663
Portugal	19	117
Spain	3,255	6,171
United Kingdom	9,817	17,775
West Germany	14,426	17,521
TOTAL EC	63,914	85,663
Other Countries	120,222	163,841
TOTAL	184,136	249,504

Source: U.S. Department of Commerce.

Hardwood veneer exports have shown mixed results in the first three quarters of 1986. White oak veneers have performed strongest at nearly $25 million for the year, up $6 million over last year's first three quarters. Other hardwood veneers have shown only slight changes from the previous year.

U.S. Exports of Hardwood Veneers
($1,000, F.A.S. Port of Export)

	Schedule B Number	Jan.-Sept. 1985	Jan.-Sept. 1986
Not Reinforced or backed:			
Birch	240.0110	236.1	227.1
Maple	240.0120	661.7	944.3
Red Oak	240.0130	11,975.0	12,207.7
White Oak	240.0132	18,504.7	24,618.9
Walnut	240.0140	4,930.2	4,542.8
Other Hardwood	240.0150	8,074.3	11,721.0
Reinforced or backed hardwood	240.0520	1,433.8	3,406.1
TOTAL		45,815.8	57,667.9

BEST COPY AVAILABLE

SOFTWOOD

Softwood exports for the third quarter of 1986 were valued at $505.0 million, up $62.7 million from the third quarter of 1985. U.S. exports of softwood logs are down for both the quarter and year to date as compared to last year, chiefly due to reduced demand from China. U.S. exports to Japan were up for every major softwood product category except wood chips.

Logs

Softwood log exports in the third quarter of 1986 were nearly $282 million, down 8 percent from the third quarter last year. Canada, China, Japan, and South Korea account for almost all softwood log export demand.

The following table shows softwood log exports by major species:

Third Quarter, 1986
(Million Board Feet)

Species	
Douglas-fir	132.7
Hemlock	86.6
Spruce	39.9
Other softwood	22.7
Total	281.9

Lumber

Softwood lumber exports totaled 422.5 million board feet in the third quarter of 1986. Australian imports of lumber from the United States are down nearly 40 percent by quantity for the third quarter 1986 as compared to the same period last year. Japan and Canada accounted for 43 percent of all U.S. softwood lumber exports in the third quarter. A host of smaller importers—including Italy, Spain, and the United Kingdom—showed an increased demand for softwood lumber.

Major species exported in the third quarter included Douglas-fir (105.3 million board feet), hemlock (115.4 million board feet), southern pine (40.1 million board feet), and spruce (19.0 million board feet).

Plywood

Softwood plywood exports in the third quarter of 1986 are double the level exported in the same period one year ago. European markets have shown the greatest increases.

Southern yellow pine plywood exports totaled $11 million in the third quarter, chiefly because of increased demand from the United Kingdom, the Netherlands, and Belgium/Luxembourg. Douglas-fir plywood exports totaling $9.4 million for the quarter showed strong increases to Canada and Denmark.

RECENT DEVELOPMENTS

Update on Pacific Basin Housing Conference

The U.S. Government and the wood products industry sponsored the "Pacific Basin Housing Conference" with the objective of promoting the wood frame housing system in the countries of the region. High ranking housing and building officials attended from Indonesia, Japan, Korea, Papua New Guinea, China, the Philippines, Sri Lanka, and India participated in the conference. The U.S. wood products industry was well represented with total participants numbering more than 200. The theme of the conference was the transfer of wood building technology through increased trade and cooperation. The agenda of the conference included reviewing the housing needs of the countries of the region, U.S. Government programs to finance trade and housing projects, wood frame construction training programs, trade cooperation programs, and private sector financing. The last day of the conference featured a tour of industry exhibits and visits to residential and nonresidential wood construction sites. Many foreign delegates remarked that the three-day program very effectively demonstrated the many advantages of wood frame housing and that the knowledge they acquired would have an impact upon their future housing programs. The U.S. wood products industry plans to follow-up the progress the Conference generated with seminars, technical team visits, literature, and perhaps selected demonstration projects.

Update on CVD Case - Canadian Lumber

On October 16, 1986, the International Trade Administration (ITA) of the Department of Commerce made a preliminary determination that Canadian lumber producers and exporters receive subsidies amounting to 15 percent ad valorem. Beginning October 22, 1986, the date of publication of the decision in the Federal Register, cash deposits or bonds in the amount of 15 percent ad valorem were required to be made to U.S. Customs prior to entry of Canadian lumber into the U.S. market.

The ITA decision follows the preliminary ruling by the International Trade Commission in June 1986 that the U.S. domestic lumber industry is being materially injured or threatened with material injury by reason of Canadian softwood lumber imports.

This preliminary decision by ITA is to be followed by a final ITA determination of subsidy on or before December 30, 1986. The final determination could be the same as or altered from the preliminary decision. If the final ruling is negative (i.e., no subsidy) the case ends. If the final determination of subsidy is affirmative, the case reverts to the ITC which will then issue its final ruling on injury no later than February 13, 1987. Again, a negative ruling would end the case. An affirmative ruling would complete the CVD process and duties would start being collected, retroactive to October 22, 1986.

BEST COPY AVAILABLE

Japanese Imports of U.S. Logs to Increase In Fourth Quarter of 1986

Japan, the largest market for U.S. solid wood exports, is expected to increase its imports of U.S. logs and lumber in the last quarter of 1986. According to Japanese importer schedules compiled by the Japanese forestry agency and reported by the Japan Lumber Journal, Japanese demand for U.S. logs and lumber is expected to reach 2,641,000 cubic meters and 317,000 cubic meters, respectively, in the fourth quarter of 1986. Japanese imports of U.S. logs and lumber in the last quarter of 1985 were 2,428,000 and 784,000 cubic meters, respectively.

Total Japanese domestic consumption of wood is expected to increase only slightly over last year. The Japanese forestry agency reported on September 30 that 1986 Japanese consumption will be 94,480,000 cubic meters. Japan will meet approximately one-third of its needs domestically. The remainder, over 62,000,000 cubic meters will be met through imports from Southeast Asia, the United States, Canada, the Soviet Union, New Zealand, and Chile. Japanese imports of logs are expected to remain largely unchanged from last year. However, lumber, veneer, and plywood imports are expected to increase.

Recent gains by U.S. exporters are attributable to a host of factors. Perhaps first and foremost, c.i.f. prices of U.S. products to Japan have steadily declined as the Japanese yen continued to strengthen against the dollar. The effect of an appreciating yen is to make dollar-denominated prices for logs and lumber increasingly attractive to Japanese buyers.

Also, U.S. export success in the Japanese market has been enhanced through a general spirit of cooperation between Japan and the United States. This spirit has come about through U.S. market development efforts, the Market Oriented Sector Specific (MOSS) negotiations, and through the efforts of individual U.S. firms seeking to serve Japanese buyers more effectively.

Increased Japanese demand for American wood products has come on the heels of continued reductions in imports of logs from Southeast Asia and growing Japanese dissatisfaction over the quality of Russian timber.

Market Development Funding Approved

The USDA Foreign Agricultural Service has approved $1.7 million for funding of overseas wood product market development plans for fiscal year 1987. The National Forest Products Association has the responsibility for coordinating all of the export market development programs under the USDA FAS/NFPA Cooperator program. Associations participating with NFPA in the program include the American Plywood Association, the Southern Forest Products Association, the Western Wood Products Association and the Hardwood Export Council. FAS funding is allocated across several plans and is designed to target important and growing markets for U.S. wood products. Activities to be funded in 1987 include increasing foreign awareness of U.S. wood products and promoting the use of lumber, veneer, and plywood.

Credit Guarantees for Mexico

On October 15, 1986, the U.S. Department of Agriculture authorized credit guarantees to Mexico in fiscal year 1987 totaling $65 million to facilitate sales of wood pulp. The guarantees are being made under the Commodity Credit Corporation (CCC) Export Credit Guarantee Program (GSM-102).

To be eligible for up to three-year coverage, all applications must be received by the CCC before export but not later than September 30, 1987. Exporters must apply to CCC for coverage before exports are completed and written applications shall include payment of a guarantee fee. The guarantor is Banco Nacional de Mexico and/or other eligible banks.

U.S. exporters registering for credit guarantees must report to CCC the actual shipment period as provided in their credit sale.

For further information, call (202) 447-3224.

Venezuela Moves Against Imports of Wood Products

Venezuela, in an attempt to bolster their floundering forest products industry, announced in the Official Gazette dated August 18, 1986 that all wood products are to be imported at the free market exchange rate, currently at 19.5 Bolivars/U.S. dollar.

Since a February 1983 currency devaluation, all wood products were imported at the preferential rate of 4.3 Bolivars/U.S.$, which was increased to 7.5 Bolivars/U.S.$ in January 1985. The exchange rate increase to free market level for imports will increase the cost of U.S. wood products imported by Venezuela approximately 260 percent. This increase, coupled with high tariff rates and a sluggish economy, will significantly deter Venezuelan imports of U.S. wood products.

Venezuelan imports in CY 1985 totaled $5.1 million, consisting primarily of hardwood railroad ties ($793,000) and pencil slats ($2.0 million). U.S. wood product exports to Venezuela reached a high of $26.6 million in 1982, before falling to $2.6 million in 1983. This dramatic decrease was due primarily to a lack of foreign exchange which resulted from falling oil prices. Despite the 1983 drop, Venezuelan imports of U.S. wood recovered in CY 1984 and CY 1985, reaching $5.2 million and $5.1 million, respectively.

Venezuelan Tariff Rates Under the Andean Pact

The Andean Pact is an agreement between the governments of Colombia, Bolivia, Ecuador, Peru, and Venezuela, whose goal is to promote inter-regional trade among the member countries through preferential tariff rates. Although Ecuador and Peru are the only pact members with much presence in the Venezuelan softwood products market, all pact signatories are eligible to take advantage of the preferential rates. The following table outlines Venezuela's tariff schedule for both Andean Pact and non-Andean Pact nations:

BEST COPY AVAILABLE

TARIFF CODE	ARTICLE	GENERAL RATE OF DUTY	ANDEAN PACT RATE OF DUTY	SPECIAL EXONERATIONS
44.03	LOGS			
44.03.01.00	Pulpwood	30%	3%	A[2/]
44.03.02.00	Conifer	30%	FREE	A
44.03.03.00	Hardwood	30%	FREE	A
44.03.04.00	Mining Timber	30%	3%	A
44.03.89.00	Other	30%	3%	A
44.04	LOGS - SQUARED			
44.04.01.00	Conifer	.20 BS/KG[1/]	FREE	A
44.04.02.00	Hardwood	.20 BS/KG	FREE	A
44.05	ROUGH LUMBER			
44.05.01.00	Conifer	.60 BS/KG	FREE	A
44.05.02.00	Hardwood	.60 BS/KG	FREE	A
44.07	SLEEPERS	40%	4%	AB[3/]
44.14	VENEERS			
44.14.01.01	Conifer <1mm	50%	4%	A
44.14.01.99	Conifer >1mm	100%	4%	A
44.14.02.01	Hardwood <1mm	35%	4%	A
44.14.02.99	Hardwood >1mm	100%	4%	A
44.15	PLYWOOD AND VENEER PANELS			
44.15.01.01	Pine	5.0 BS/KG	5%	A
44.15.01.99	Other	5.0 BS/KG	5%	AE[4/]
44.15.02.00	Hardwood	5.0 BS/KG	5%	AE

1/ BS/KG = Bolivars per Kilogram
2/ A = Automatic exoneration of duty for all Andean Pact countries
3/ AB = Automatic exoneration of duty for Bolivia only
4/ AE = Automatic exoneration of duty for Ecuador only

Chile is not a member of the Andean Pact, but has been granted preferential treatment by Venezuela under a bilateral agreement. The wood products entering Venezuela from Chile under preferential treatment are: (1) squared wood of conifers (44.04.01.00) at .10 Bolivars/kilogram; (2) hardwood veneers less than one millimeter in thickness (44.14.02.01) at 21 percent; and (3) hardwood veneers greater than one millimeter in thickness (44.14.02.99) at 60 percent. Both categories of hardwood veneer are imported under a combined 8,000 cubic meter quota.

BEST COPY AVAILABLE

REPORTS FROM OVERSEAS

China

The economic liberalization policies of the past several years have had a significant impact on China's forest products sector. The influence of these reforms has touched every aspect of the industry from the planting of trees to the sale to consumers of finished products. Changes in policy are not limited solely to freeing prices, but include changes in the overall structure of government agencies in the forest products area and in their planning methods. These developments will have an impact on China's timber production and on China's demand for imported timber. Increasingly, China is looking toward foreign participation and investment in the upgrading of China's forestry and wood products sector.

At the national level, the Ministry of Forestry (MOF) is charged with two distinct missions: (a) afforestation and the expansion of forest area; and, (b) the exploitation of forests and marketing of forest products. The MOF administers the nation's provincial network of forestry departments and bureaus which in turn are responsible for forest management and wood product industries. In China the organization of the wood products industry varies from province to province.

State planning permeates all aspects of the forestry sector. Each province determines its wood demand. Estimates are submitted to the Ministry of Forestry Bureau in Beijing for balanced planning and consideration. At this point, a national target is established and individual provincial demands are adjusted according to provincial capabilities and needs. Finally, the national plan is broken up and is returned to the provincial forestry bureaus which distribute it to the counties and townships for implementation. Control is strict and complete, and the plethora of statistics filtering up from the provinces are compiled by an office called the "Production Progress Branch." Reportedly the strictness of the system is an outcome of the bad experience of uncurtailed exploitation which occurred in earlier decades.

Recently, the U.S. agricultural attache in Beijing traveled to Yunnan, Fujian and Heilongjiang Provinces. These three provinces are large producers and processors of forest products. A summary of the attache's observations follows.

Yunnan and Fujian Provinces

According to a state council edict of July 1984, the Yunnan Province Forestry Bureau was required to organizationally separate afforestation and exploitation responsibilities through the creation of another entity, namely the Yunnan Forestry Industry Corporation. The Forestry Bureau provides "planning and guidance" to the corporation. The corporation is divided into five branches--the wood production department (responsible for cutting and hauling), the wood processing department, the wood products utilization department, the products marketing department, and a wood by-products department.

BEST COPY AVAILABLE

Provincial forestry officials have indicated that planning is now more geared toward ensuring that the annual cut does not exceed annual growth. The policy of allowing annual cut to exceed annual growth dates to the Forestry Law of 1979.

Both Yunnan and Fujian provinces are timber producing provinces, and are largely self-sufficient in log production. In Fujian, production occurs mostly in the northern and western regions of the province. In Yunnan, where forest cover is 25 percent, exploitation centers around the six counties surrounding the township of Simao, and the province's western region.

Annual growth of Yunnan's forest reserves is 20 million cubic meters or roughly 2 percent of the province's total forest reserves of roughly 1 billion cubic meters. By comparison, Heilongjiang reportedly has 1.64 billion cubic meters of standing timber, or roughly 18 percent of the country's estimated inventory of 9.0 billion cubic meters.

Yunnan's forests are classified as evergreen broadleaf forests. They are considered to be "potentially the most productive" in China. Whereas in Heilongjiang, annual cut exceeds annual growth. Annual growth in Yunnan is estimated to exceed the annual cut. Yunnan's forest potential is shown as follows:

	Standing Timber Inventory	Annual Growth	Annual Cut
Heilongjiang	1.64 billion M3	7.8 million M3	11 million M3
Yunnan	1.00 billion M3	20 million M3	10 million M3

Yunnan's relatively high rate of growth (2 percent a year) is related to the province's subtropical climate. In China, the climate is described as "all seasons like spring;" and the almost total lack of frost, despite the high altitudes (800 meters - 2,000 meters), provides excellent growing conditions for the area's forests. For example, pines take 70-90 years to mature in Heilongjiang, compared with 25 years for maturation in Yunnan.

Transportation to processing sites is the weak link in Yunnan's forest industry. It is estimated that 30 percent of a given log's value is accounted for by the cost of transportation.

Heilongjiang Province

Heilongjiang is China's most northeastern province. Exploitation of China's northern forest belt is occurring at a rate that exceeds natural and man-made regeneration. National wood use is likely to exceed donestic production for at least the next 15 years. Consequently, logs will most likely continue to be a staple Chinese import item over the next several decades.

BEST COPY AVAILABLE

Heilongjiang holds China's largest forest area, 16 million hectares of forests, 70 percent natural and 30 percent planted. Its inventory of 1.5 billion cubic meters of wood accounts for roughly 16 percent of the country's total wood stocks. The main exploited varieties include Chinese fir, Korean pine, poplar, birch, larch, Mandarin walnut, basswood, and spruce. Heilongjiang's woodsmen are currently harvesting 50 percent hardwoods and 50 percent softwoods. State run forest farms account for the greatest share of the Province's harvested timber.

The most significant organization in terms of forestry operations is the General Bureau of Forestry Industry (GBFI). Roughly 10 million hectares are under the GBFI's control. In volume terms, the GBFI forests account for approximately half of the Province's total reserve of 1.5 billion cubic meters. The GBFI has 40 forest stations and 14 wood processing enterprises, usually integrated factories producing a wide range of forest products.

In total, the GBFI employs 470,000 persons, manages 22,000 kilometers of roads, and 6,000 kilometers of narrow gauge railroads. Although these numbers may appear large--especially those of the transportation network--in fact, averaged out, the GBFI only has two meters of road or railroad for each hectare of forest land it manages.

Heilongjiang Province is making great efforts at balancing annual cut with annual growth. In general, forestry bureaus are relying on massive plantings of fast growing southern U.S. pines to restore forest exploitation equilibrium.

Of the 10-11 million cubic meters of timber cut every year in the Province by the GBFI, roughly 2.3-2.4 million cubic meters are processed into lumber. The Province's wood processing factories also produce another 60,000 cubic meters of plywood and 65,000 cubic meters of fiberboard.

Current forestry policy in the Province is called the "one down-three up" policy. "One down" refers to the policy goal of reducing the annual cut to lessen the relative exploitation rate. "Three up" refers to efforts to increase: (1) afforestation, (2) utilization rates, and (3) diversified management and the production of wood by-products. It is apparent the Ministry of Forestry is attempting to reform the entire wood products industry in the Province, most importantly, by planting more trees while simultaneously reducing the high wastage rates that have occurred for decades due to artificially low prices for wood. One policy thrust is concentrated on building new processing facilities closer to the resource stock, and upgrading and overhauling existing facilities. Many plants operate out-of-date machinery.

Heavy emphasis is being placed on using foreign technology and funds to help the Province reach its development goals. There are already a number of cooperative efforts with foreign firms and governments in the forestry area. CETA, the Canadian aid agency, is assisting the Province in creating a model forestry area in the Dailing forestry area. The project includes technological exchange and aid in many areas, the most important being forestry management.

BEST COPY AVAILABLE

Japan is working with several Harbin units in the forest products utilization area. The United Nations Development Program is reportedly conducting a forest inventory survey in the province.

Sweden, using low-interest government loans, has constructed a very modern medium density fiberboard plant in Nancha. Output from this factory is being tagged for export. A German firm is building a modern particleboard plant using Swiss equipment, and a similar French-Chinese co-production agreement for particleboard and furniture production (using Italian and German equipment) is also under discussion. Equipment purchases seem to be taking place routinely, although to date, U.S. firms have not been as successful as the Japanese or some eastern European equipment suppliers in securing contracts.

During the seventh 5-year plan, Heilongjiang Province has several key projects for which they desire foreign cooperation. All are related to efforts to decrease wood waste and include: (1) a 30-50,000 cubic meters/year particleboard plant; (2) a 30-50,000 cubic meter/year oriented strandboard plant (China does not have this technology yet); and (3) a 500-2,000 cubic meters/year veneer production line. In addition, the Province wishes to increase its production of knock-down furniture and hardwood flooring.

Egypt

The Egyptian forest products market is presently one of overall dynamism and growth. The building sector in Egypt continues to evolve and develop due in part to an increasing population and rising incomes. Recently, the Egyptian Government has faced severe foreign exchange constraints because of a fall in oil, tourism, and Suez Canal revenues. However, this has only affected public sector imports. The private sector, which accounts for over 75 percent of total wood product imports, has not faced these constraints, and imports in this sector have continued to increase. Due to the economic situation of the public sector, it is anticipated that the private sector will play an ever-increasing role in the future importation of wood products.

While much progress has been made in the last year by the U.S. wood products industry, the lack of product knowledge and price constraints continue to limit the market potential. The Egyptian forest products market is very price conscious. In general, European wood products sell at a substantially lower price than U.S. wood products, partially because of freight differences and because European suppliers routinely provide either six month or one-year free financing to the Egyptian importer. The United States Export Guarantee Program (GSM-102) has difficulty competing with these terms. However, the weakening of the dollar is closing the gap between European and U.S. prices.

Public sector imports, which are under the control of Societe Commerciale Des Bois (FABAS), accounted for about 25 percent of Egypt's total wood needs. All public sector purchases are conducted by FABAS through calls for tenders, and Egyptian law requires that any foreign firm interested in bidding on public sector tenders retain an Egyptian agent to act as a representative.

At the end of August, the Egyptian Government announced sweeping reforms in its tariff and import policies for all commodities. Although permission by customs must still be obtained to import, no longer do private sector importers need import licenses from the Import Rationalization Committee. Under the new regulations, the price at which the importer can sell is set by the Ministry of Supply. This price is calculated from a pro forma invoice by adding the c.i.f. price plus any discharging and banking fees which are incurred.

Softwood lumber is by far Egypt's largest wood import, accounting for approximately 85 percent of all the wood consumed in Egypt. Most softwood lumber is imported from Finland, Sweden, and the Soviet Union (under a trade agreement). All softwood products consumed in Egypt are imported as either lumber or balk. Logs are not imported, since no facilities exist for sawing. Egyptian buildings are typically constructed from brick, block and cement, so little softwood lumber is used in actual construction other than as door and window frames. However, large amounts of softwood lumber are used for scaffolding and concrete forming. New regulations have set the import tariffs on softwood lumber from one to five percent.

Temperate hardwood products, used mainly for furniture making and flooring, come largely from Eastern Europe. Beech accounts for over 90 percent of the temperate hardwood products used in Egypt, with the remaining 10 percent being evenly split between oak, ash, and hornbeam. Most imported beechwood is from eastern Europe, Austria, and Spain. The import duty for beechwood was recently raised from US$25 to US$51 per cubic meter.

Although plywood is not produced in Egypt, it is consumed in large quantities, with the majority used for concrete forming. It is rarely used in the actual construction of buildings. Most hardwood plywood is used in furniture making and paneling. Plywoods are imported from both Europe and Asia. The new import tariff for plywood is US$103 per cubic meter, up from US$51 per cubic meter.

New Zealand

The forest industry in New Zealand is going through a major reorganization. The large Forest Service of New Zealand is being transformed into a corporation with a much smaller governmental department being retained. Also, some of the New Zealand Forest Service's environmental functions are being passed to other departments. It is expected that the most significant impact of this change will be the new forestry corporation's existence as a fully commercial oriented organization beginning in April 1987.

This commercialization could possibly be reflected in rising log and timber prices to the domestic forest industry. As a result of this transformation, the New Zealand domestic market is expected to be more open for competition in wood products.

In December 1985 the thirteenth fiscal policy alteration since 1960 provoked considerable reaction from the forestry sector. As a result of this policy change, full tax deductibility for development expenditures on existing forests will be phased down to zero by 1997, and is expected to cause a change in investment patterns. Only plantings of highest quality trees with low per hectare density may occur, which in turn may lead to little land being purchased for new forests. Consequently, leasing land and joint ventures may become the most attractive alternatives for those lands that could be purchased.

The location of new forests has been effectively restricted to marginal land through either state subsidized land development schemes or through restrictive local government planning ordinances. Official figures on New Zealand's forested area have been revised. As of March 31, 1985, the exotic forest area controlled by the state was 566,000 hectares and forests of private holdings were 329,000 hectares.

Because of extensive use in the growing commercial building sector, usage of softwood lumber for the coming year is expected to expand. Demand for this product from the domestic housing industry is not expected to increase, however, as new housing construction is predicted to remain static or fall slightly in 1986-87. Domestic production of softwood lumber increased three percent from 1985 to 1986, rising from 2,306,000 cubic meters to 2,384,000 cubic meters, while imports increased 105 percent during the same period, increasing from 17,000 cubic meters to 35,000 cubic meters. Exports of softwood lumber decreased 23 percent from 1985 to 1986, with totals of 509,000 cubic meters and 393,000 cubic meters, respectively.

In 1986, 9.6 million cubic meters of roundwood were harvested, down less than one percent from the year before. Roundwood imports totaled 2,000 cubic meters, less than one percent of the total roundwood consumed market. Of total roundwood production, softwood logs accounted for 56 percent, or 5.4 million cubic meters. There were no imports of softwood logs.

Production and imports of softwood veneer dropped between 1985 and 1986. Production decreased ten percent, from 77,000 cubic meters to 70,000 cubic meters, while imports dropped 77 percent, from 3,000 to 1,000 cubic meters. Softwood plywood production increased during the same period by five percent, from 56,000 to 59,000 cubic meters. Exports of softwood plywood increased 41 percent from 12,000 cubic meters to 17,000 cubic meters. Imports of softwood plywood registered no change at 2,000 cubic meters for both years.

Production of medium density fiberboard (MDF) increased almost ten percent to 160,000 thousand cubic meters in 1986, while exports increased 65 percent to 33,000 cubic meters. Particleboard production decreased from 136,000 to 179,000 cubic meters, and exports decreased from 36,000 cubic meters to 34,000 cubic meters.

A recent publication by the Massey University Center for Agricultural Policy Studies indicates demand for sawn timber is not expected to increase by more than 25 percent, or 400,000 cubic meters, between 1987 and the year 2000. However, with assistance from the University's School of Architecture, the New Zealand forestry industry is developing awareness of timber usage in construction of buildings, bridges, factories, warehouses, and other areas. Forestry companies in New Zealand have also discussed among themselves the possibility of forming an international radiata pine bureau to improve the image of this wood. The bureau would gather research data, transmit it to the right markets, set standards, and promote the products.

The Center also concluded that the demand for particle board and fiberboard may increase 50 percent between 1987 and the year 2000. However, the prospect of open competition with other countries makes it uncertain who will capture this increased demand.

Spain

Spain's timber output continues to rise and is expected to reach 12.7 million cubic meters on a debarked log basis in 1987.

The recovery in the building and furniture industries presently underway is expected to continue in 1987 and is causing an increased demand for wood which is being met by both increased fellings and imports. Wood imports, including roundwood and lumber, are forecast at 2.4 million cubic meters in 1987, up 2.7 percent from the preliminary 1986 estimate and up 4.6 percent from 1985. Roundwood and lumber exports are forecast at 242,000 cubic meters in both 1986 and 1987. Panel product exports are expected to decline moderately. The first steps have been taken to promote timber frame housing in Spain which, until now, has been practically non-existent.

The relatively low per capita use of wood in Spain is expected to continue in the future. Still, the wood deficit in Spain in the year 2,000 could reach between 8.45 and 16.90 million cubic meters (according to a recent report made by the Asociacion para el Progreso Forestal - Forest Progress Association). Spain's integration into the EC will have minimal impact on wood trade between Spain and the EC-10 and also between Spain and third countries because of the similarities between Spanish and EC customs duties. Customs duties will be progressively eliminated for the trade between Spain and the EC-10 over a 7-year transition period.

Spain has been a growing market for U.S. forest products, especially hardwood logs, lumber, and veneer. With increased construction activity and an expanding furniture industry, the prospects appear favorable for this trend to continue in the future.

Through the first three quarters of 1986, U.S. wood exports to Spain totaled $28.5 million, up 70 percent from the same period of a year ago.

BEST COPY AVAILABLE

The following table highlights recent U.S. exports to Spain:

Commodity	1984	Jan.-Sept. 1985	Jan.-Sept. 1986
Softwood logs	706	130	222
Hardwood logs	719	958	1,368
Softwood lumber	14,772	9,661	17,711
Hardwood lumber	3,898	3,225	6,171
Hardwood veneer	566	446	1,385
All other	2,223	2,376	1,686
TOTAL	22,884	16,796	28,543

Source: U.S. Department of Commerce

South Africa

South Africa's commercial forests accounted for about one percent of total land area (1,186,837 hectares) in 1985 and is expected to have produced nearly 14 million cubic meters of roundwood by the end of 1986. The industry primarily consists of pine forests, approximately 67 percent of total forested area, and eucalyptus forests, approximately 26 percent of the total forested area. Thirty percent of the forested area is state owned and controlled, with the remaining percentage owned and controlled by private planters. The majority of the total annual forestry production is used for pulp (40 percent), sawlogs (30 percent), and mining timbers (20 percent). The main exports between 1984 and 1985 of pulp, paper products, wattle extract, bark, and pulpwood chips, more than doubled in value, primarily because of the lower value of the South African Rand. Imports decreased significantly from 1984 to 1985 because of a depressed domestic economy and a devalued Rand.

Total wood products trade amounted to R668.2 million for imports and R829.8 million in exports in 1985. The depressed domestic economy and the low value of the Rand adversely affected most markets for wood products. Particularly hard hit was the domestic structural wood market (lumber), a major catalyst in the decline of imported roundwood.

Imports of Selected Wood Products
(cubic meters)

	1984	1985
Roundwood	25,503	22,695
Roundwood, Other	1,086,433	75,023
Lumber	675,432	5,457
Sawn Hardwood:		
Meranti	108,667	104,326
Imbuia	21,483	18,630
Other	117,803	88,250
Railway Sleepers	4,610	16,215
Veneer Sheets	6,584,770	3,540,770

BEST COPY AVAILABLE

On the other hand, the decline in the value of the Rand stimulated exports. Export values for the main categories were:

Exports
(S.A. Rand, Millions)

	1984	1985
Wattle Extract and Bark	38.6	49.7
Charcoal	2.2	5.2
Pulpwood Chips	31.1	38.9
Hardboard	3.1	8.9
Laminated Pine	4.1	7.3
Other Wood Products	35.5	64.3
Wood Pulp	242.2	357.0
Paper	147.0	298.5

Production of major sawn and planed timber products rose in most categories from 1984-1985. The following table indicates production quantities as compiled from information obtained from primary domestic producers.

Production of Sawn and Planed Timber
(cubic meters)

	1984	1985
Structural Timber	810,571	822,930
Industrial Timber	587,662	615,358
Shelving	9,236	17,010
Furniture Stocks	19,458	15,996
Flooring and Ceilings	19,216	20,467
Wooden Containers	51,552	64,837
Laminated Beams	33,128	27,090
Other Sawn Timber Products	20,996	29,882
Sleepers	10,968	15,683
TOTAL	1,562,814	1,629,433

BEST COPY AVAILABLE

TABLE 1A. Wood Products: Quantity of U.S. Exports by Commodity, 1982-86

Commodity	1982	1983	1984	1985	January - September 1985	January - September 1986
Softwood Logs (M bd. ft.)	3,114,988	3,390,618	3,369,371	3,731,971	2,828,380	2,533,341
Hardwood Logs (M bd. ft.)	93,161	111,508	125,554	111,196	87,125	78,425
Poles, Piles, Posts, and Pitprops (no.)	2,765,684	1,917,247	1,283,990	1,466,301	1,370,872	879,293
Wood Chips (short tons)	2,860,133	2,514,176	2,325,163	2,317,989	1,766,312	1,661,047
Softwood Lumber (M bd. ft.)	1,615,430	1,733,771	1,586,187	1,504,802	1,119,727	1,347,557
Hardwood Lumber (M bd. ft.)	334,304	447.989	441,192	372,603	277,679	369,751
Softwood Flooring (M bd. ft.)	255	258	218	981	600	431
Hardwood Flooring (M bd. ft.)	21,406	29,209	24,664	23,284	17,645	20,026
Softwood Siding (M bd. ft.)	2,502	2,666	1,948	1,490	1,107	1,014
Hardwood Siding (M bd. ft.)	497	968	655	1,201	929	487
Softwood Molding (M linear feet)	142,169	182,704	116,125	144,001	95,855	116,414
Hardwood Molding (M linear feet)	65,602	17,797	25,806	23,506	16,509	35,726
Treated Lumber, Siding Flooring and Molding (M bd. ft.)	12,047	7,828	10,949	8,119	6,995	7,483
Softwood Railroad Ties (M bd. ft.)	4,632	11,095	24,331	2,870	2,630	534
Hardwood Railroad Ties (M bd. ft.)	29,733	36,150	60,289	29,997	25,734	16,085
Softwood Veneer (M sq. ft.)	336,739	414,964	367,752	307,641	235,764	317,363
Hardwood Veneer (M sq. ft.)	803,647	1,023,769	1,002,264	792,714	571,747	725,804
Softwood Plywood (M sq. ft.)	451,714	573,663	370,602	320,520	219,613	408,853
Hardwood Plywood (M sq. ft.)	41,260	41,135	36,658	44,023	31,747	42,292
Hardboard 1/ (See note)	46,793	60,405	63,865	192,090	143,902	149,109
Particleboard (M sq. ft.)	82,214	94,615	108,400	118,780	80,682	118,309
Other Panel Products 2/ (M sq. ft.)	137,645	154,646	160,262	131,570	93,603	125,479
Miscellaneous Wood Products 3/						

1/ Includes fiberboard with a density equal to or greater than 31 pounds per cubic foot.
2/ Includes laminated boards and fiberboards with a density less than 31 pounds per cubic foot.
3/ The various units of quantity included in this category make the total meaningless.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Hardboard is shown in short tons for 1981-84 and in thousand square feet for 1985-present.

TABLE 1B. Wood Products: Value of U.S. Exports by Commodity, 1982-86

Commodity	1982	1983	1984	1985	January - September 1985	January - September 1986
	$ Thousands, F.A.S. port of export					
Softwood Logs	1,174,180	1,068,481	1,079,202	1,169,133	887,375	821,728
Hardwood Logs	83,905	98,063	100,709	91,149	68,874	71,475
Poles, Piles, Posts, and Pitprops	27,290	24,724	22,945	16,347	10,830	15,113
Wood Chips	231,140	171,269	164,058	168,814	129,727	118,604
Softwood Lumber	574,838	600,859	529,406	492,383	367,479	451,360
Hardwood Lumber	216,133	287,896	282,132	247,597	184,136	249,503
Softwood Flooring	133	60	58	226	138	102
Hardwood Flooring	5,583	6,694	5,716	6,461	4,617	4,846
Softwood Siding	737	922	561	678	478	386
Hardwood Siding	162	357	398	265	184	164
Softwood Molding	3,256	5,891	3,816	4,646	3,049	4,255
Hardwood Molding	2,119	2,012	2,272	3,274	2,295	3,524
Treated Lumber, Siding Flooring and Molding	4,659	2,640	3,799	2,975	2,531	3,059
Softwood Railraod Ties	1,369	4,398	7,005	844	776	158
Hardwood Railroad Ties	7,126	9,826	11,600	9,037	8,133	3,323
Softwood Veneer	11,385	13,602	11,729	9,567	7,521	9,869
Hardwood Veneer	73,050	93,098	81,897	62,249	45,816	57,668
Softwood Plywood	107,249	135,724	86,526	75,220	52,175	88,577
Hardwood Plywood	9,468	7,486	7,953	10,463	7,649	9,741
Hardboard 1/	13,920	17,949	19,576	24,523	18,198	18,193
Particleboard	19,561	22,724	26,198	24,169	16,235	23,841
Other Panel Products 2/	30,962	32,248	35,228	32,333	22,444	30,399
Miscellaneous Wood Products 3/	237,224	216,034	205,758	211,888	161,983	183,712
TOTAL, SELECTED COMMODITIES	2,835,449	2,822,957	2,688,542	2,664,241	2,002,643	2,169,600

1/ Includes fiberboard with a density equal to or greater than 31 pounds per cubic foot.
2/ Includes laminated boards and fiberboards with a density less than 31 pounds per cubic foot.
3/ Includes such products as wood waste, pulpwood, building components, containers, and small industrial and household woodenware.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Totals may not add due to rounding.

BEST COPY AVAILABLE

TABLE 2. Wood Products: U.S. Exports by Country, 1982-86

Principal Markets	1982	1983	1984	1985	January - September 1985	January - September 1986	Ratio 86/85
	$ Million, F.A.S. port of export						
Japan	1,276.6	1,079.5	1,021.1	1,068.7	794.3	907.2	1.14
Canada	287.4	404.3	381.3	342.4	259.9	259.8	1.00
China	217.0	235.7	287.8	328.9	267.3	151.7	0.57
South Korea	98.8	114.4	106.1	117.8	89.9	106.6	1.19
Taiwan	22.2	42.3	65.0	72.6	51.8	94.7	1.83
West Germany	141.5	172.5	129.7	99.3	72.5	92.7	1.28
United Kingdom	62.8	93.0	80.5	60.5	46.1	72.4	1.57
Italy	84.6	100.1	83.4	66.3	49.5	62.8	1.27
Mexico	56.6	39.4	58.7	76.0	54.0	59.2	1.10
Australia	43.8	55.4	68.8	64.0	50.7	36.7	0.72
Belgium/Luxembourg	67.0	69.2	42.6	39.3	28.6	36.2	1.27
Netherlands	34.5	45.8	30.5	27.9	18.7	30.7	1.64
SUBTOTAL	2,392.9	2,451.7	2,355.5	2,383.6	1,783.3	1,910.8	1.07
WORLD TOTAL	2,335.5	2,823.0	2,688.5	2,664.2	2,002.6	2,169.6	1.08

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

TABLE 3. Hardwood Products: U.S. Exports by Commodity, 1984-86

COMMODITY	1984	1985	January - September 1985	January - September 1986	Ratio 86/85
	QUANTITY				
Logs (1000 bd. ft.)	125,554	111,196	87,125	78,425	0.90
Railroad Ties (1000 bd. ft.)	60,289	29,997	25,734	16,085	0.63
Lumber (1000 bd. ft.)	441,192	372,603	277,679	369,751	1.33
Siding (1000 bd. ft.)	655	1,201	929	487	0.52
Flooring (1000 bd. ft.)	24,664	23,284	17,645	20,026	1.13
Molding (1000 linear ft.)	25,806	23,506	16,509	35,726	2.16
Veneer (1000 sq. ft.)	1,014,559	792,714	571,747	725,804	1.27
Plywood (1000 sq. ft.)	36,658	44,023	31,747	42,292	1.33
	VALUE ($ Million)				
Logs	100.7	91.1	68.9	71.5	1.04
Railroad Ties	11.6	9.0	8.1	3.3	0.41
Lumber	282.1	247.6	184.1	249.5	1.35
Siding	0.4	0.3	0.2	0.2	0.89
Flooring	5.7	6.5	4.6	4.8	1.05
Molding	2.3	3.3	2.3	3.5	1.54
Veneer	82.1	62.2	45.8	57.7	1.26
Plywood	8.0	10.5	7.6	9.7	1.27
TOTAL VALUE	492.9	430.5	321.7	400.2	1.24

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

BEST COPY AVAILABLE

BLANK PAGE

BLANK PAGE

BLANK PAGE

TABLE 4. Hardwood Products: U.S. Exports by Country, 1984-86

Country	1984	1985	January - September 1985	January - September 1986	Ratio 86/85
	($ Millions, F.A.S. value basis)				
Taiwan	48.8	59.0	42.8	72.3	1.69
Canada	118.9	96.2	73.8	70.0	0.95
West Germany	99.0	71.1	52.4	63.6	1.21
Japan	46.5	40.8	30.1	47.1	1.57
United Kingdom	21.4	18.6	13.3	24.2	1.81
Belgium/Luxembourg	27.6	25.3	19.1	20.9	1.10
Italy	25.3	19.5	15.5	17.9	1.16
Mexico	12.3	12.7	9.4	10.7	1.14
South Korea	7.6	8.9	6.0	9.0	1.50
Spain	5.2	6.8	4.7	8.9	1.92
Netherlands	12.1	8.9	6.8	8.8	1.04
France	10.4	9.8	7.0	7.0	1.00
Other Countries	57.8	52.8	40.9	39.8	0.97
TOTAL	492.9	430.5	321.7	400.2	1.24

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

TABLE 5. Hardwood Logs: U.S. Exports by Country, 1985-86

Country	1985			1986				Ratio
	3rd Qtr.	January-September	Total	1st Qtr.	2nd Qtr.	3rd Qtr.	January-September	86/85
	1000 Board Feet							
West Germany	1,114	18,737	24,779	15,750	5,432	1,273	22,455	1.20
Taiwan	5,105	14,764	18,473	4,424	6,723	3,784	14,931	1.01
Canada	5,037	26,136	33,349	5,984	4,298	4,388	14,670	0.56
Japan	654	3,803	5,218	3,424	3,250	983	7,657	2.01
South Korea	362	2,450	3,062	1,799	1,622	870	4,291	1.75
Mexico	320	1,021	1,455	1,070	1,109	736	2,915	2.86
Italy	197	3,711	4,574	926	1,542	264	2,732	0.74
Belgium/Luxembourg	91	1,691	2,430	1,263	470	66	1,799	1.06
Brazil	7,307	9,344	10,811	0	1,575	0	1,575	0.17
Singapore	64	406	554	351	733	219	1,303	3.21
France	108	943	1,381	323	716	81	1,120	1.19
Spain	34	536	726	500	310	8	818	1.53
Netherlands	79	561	963	639	59	28	726	1.29
Switzerland	0	675	755	347	79	45	471	0.70
Austria	0	1,470	1,524	134	90	0	224	0.15
United Kingdom	0	349	361	34	98	73	205	0.59
Other Countries	127	528	781	187	115	231	533	1.01
TOTAL	20,599	87,125	111,196	37,155	28,221	13,049	78,425	0.90

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

TABLE 6. Hardwood Lumber: U.S. Exports by Country, 1985-86

Country	1985			1986				Ratio 86/85
	3rd Qtr.	January-September	Total	1st Qtr.	2nd Qtr.	3rd Qtr.	January-September	
	1000 B							
Canada	30,862	99,963	130,558	34,804	35,058	40,646	110,508	1.11
Taiwan	13,145	32,218	46,641	17,312	23,081	29,804	70,197	2.18
Japan	11,043	30,948	43,372	13,587	16,185	15,956	45,728	1.48
United Kingdom	4,205	13,046	18,000	6,511	7,054	8,209	21,774	1.67
Belgium/Luxembourg	5,536	19,248	24,591	7,003	6,380	6,717	20,100	1.04
West Germany	5,479	16,465	21,195	5,586	7,375	5,789	18,750	1.14
Italy	2,187	10,165	12,793	4,460	5,499	3,868	13,827	1.36
Mexico	3,433	11,663	15,770	3,973	4,068	4,892	12,933	1.11
Netherlands	2,671	7,784	11,100	3,341	3,186	3,410	9,937	1.28
Spain	1,532	4,329	6,315	2,579	2,312	2,245	7,136	1.65
France	1,288	6,716	7,928	2,234	2,215	1,535	5,984	0.89
Other Countries	8,303	25,134	34,340	10,595	10,396	11,886	32,877	1.31
TOTAL	89,684	277,679	372,603	111,985	122,809	134,957	369,751	1.33

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

TABLE 7. Hardwood Veneer: U.S. Exports by Country, 1985-86

Country	1985			1986				Ratio
	3rd Qtr.	January-September	Total	1st Qtr.	2nd Qtr.	3rd Qtr.	January-September	86/85
	1000 Square Feet							
West Germany	60,554	180,482	276,116	95,046	91,378	108,020	294,444	1.63
Canada	34,696	112,999	145,476	32,317	35,168	33,952	101,437	0.90
Taiwan	26,199	51,839	76,250	23,724	26,511	33,838	84,073	1.62
United Kingdom	13,127	34,416	46,629	13,638	14,780	13,891	42,309	1.23
Italy	4,689	17,110	27,135	5,120	8,891	13,863	27,874	1.63
Korea, South	4,694	11,894	19,932	8,726	9,348	7,763	23,837	2.00
Spain	4,695	7,318	9,690	4,877	9,003	5,653	19,533	2.67
Belgium/Luxembourg	4,118	19,713	24,136	5,306	3,690	5,520	14,516	0.74
France	3,073	8,133	11,708	4,951	3,374	6,170	14,495	1.78
Japan	4,549	11,027	12,046	1,698	2,671	6,931	11,300	1.02
Israel	37	601	1,031	4,373	2,611	2,115	9,099	15.14
Singapore	3,161	6,224	8,029	3,179	2,671	1,760	7,610	1.22
Denmark	4,510	23,019	25,348	3,611	2,542	1,265	7,418	0.32
Switzerland	6,906	21,727	24,483	718	2,581	4,109	7,408	0.34
Australia	640	1,627	2,683	1,633	2,081	3,470	7,184	4.42
Egypt	2,257	4,396	4,880	1,813	2,218	2,064	6,095	1.39
Sweden	1,990	16,063	16,299	0	2,284	954	3,238	0.20
Mexico	868	2,632	4,602	1,001	76	379	1,456	0.55
Norway	838	6,993	8,980	1,950	1,254	120	970	0.14
Finland	1,038	4,275	4,275	408	116	159	683	0.16
Other Countries	6,884	29,259	42,986	2,837	25,934	9,700	40,825	1.40
TOTAL	189,523	571,747	792,714	214,926	249,182	261,696	725,804	1.27

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

TABLE 8. Hardwood Plywood: U.S. Exports by Country, 1985-86

Country	1985			1986				Ratio 86/85
	3rd Qtr.	January-September	Total	1st Qtr.	2nd Qtr.	3rd Qtr.	January-September	
	1000 Square Feet							
Canada	3,890	11,957	16,754	3,238	4,035	5,501	12,774	1.07
United Kingdom	468	486	943	5,150	1,011	1,844	8,005	16.47
Mexico	2,528	6,853	9,336	1,660	2,408	1,952	6,020	0.88
Israel	27	27	484	3,687	0	212	3,899	144.41
Bahamas	340	741	989	227	237	1,575	2,039	2.75
West Germany	0	695	695	1,032	0	507	1,539	2.21
Taiwan	0	275	277	0	1,166	192	1,358	4.94
Singapore	0	0	0	0	938	45	983	NA
Cayman Islands	170	776	1,114	357	285	90	732	0.94
British Virgin Islands	171	552	871	220	221	278	719	1.30
Netherlands Antilles	190	431	762	122	141	434	697	1.62
Trinidad and Tobago	365	1,114	1,174	480	22	62	564	0.51
Jamaica	212	275	1,036	460	25	76	561	2.04
South Korea	0	7	7	430	0	0	430	61.43
Other Countries	920	7,558	9,581	670	483	819	1,972	0.26
TOTAL	9,281	31,747	44,023	17,733	10,972	13,587	42,292	1.33

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

NA: Not Applicable

TABLE 9. Softwood Products: U.S. Exports by Commodity, 1984-86

Commodity	1984	1985	January - September 1985	January - September 1986	Ratio 86/85
	Quantity				
Logs (1000 bd. ft.)	3,369,371	3,731,971	2,828,380	2,533,341	0.90
Railroad Ties (1000 bd. ft.)	24,331	2,870	2,630	534	0.20
Lumber (1000 bd. ft.)	1,586,187	1,504,802	1,119,727	1,347,557	1.20
Siding (1000 bd. ft.)	1,948	1,490	1,107	1,014	0.92
Flooring (1000 bd. ft.)	218	981	600	431	0.72
Molding (1000 linear ft.)	116,125	144,001	95,855	116,414	1.21
Treated Lumber, etc. (1000 bd. ft.)	10,949	8,119	6,995	7,483	1.07
Veneer (1000 sq. ft.)	356,142	307,641	235,764	317,363	1.35
Plywood (1000 sq. ft.)	370,602	320,520	219,613	408,853	1.86
Wood Chips (short tons)	2,325,163	2,317,989	1,766,312	1,661,047	0.94
Poles, Posts and Pilings (no.)	1,283,990	1,466,301	1,370,872	879,293	0.64
	Value ($ Million)				
Logs	1,073.2	1,169.1	887.4	821.7	0.93
Railroad Ties	7.0	0.8	0.8	0.2	0.20
Lumber	529.4	492.4	367.5	451.4	1.23
Siding	0.6	0.7	0.5	0.4	0.81
Flooring	0.1	0.2	0.1	0.1	0.74
Molding	3.8	4.6	3.0	4.3	1.40
Treated Lumber, etc.	3.8	3.0	2.5	3.1	1.21
Veneer	11.6	9.6	7.5	9.9	1.31
Plywood	86.5	75.2	52.2	88.6	1.70
Wood Chips	164.1	168.8	129.7	118.6	0.91
Poles, Piles and Posts	22.9	16.3	10.8	15.1	1.40
TOTAL VALUE	1,909.0	1,940.8	1,462.1	1,513.2	1.03

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

NA: Not Applicable

29

TABLE 10. Softwood Products: U.S. Exports by Country, 1984-86

Country	1984	1985	January - September 1985	January - September 1986	Ratio 86/85
	($ Millions, F.A.S. value basis)				
Japan	955.3	1,009.0	749.5	840.0	1.12
China	283.8	328.2	266.6	149.8	0.56
Canada	167.6	165.3	123.8	132.1	1.07
South Korea	89.7	97.3	75.5	85.4	0.57
Italy	55.1	43.3	31.4	42.7	1.36
United Kingdom	40.3	26.6	21.6	33.4	1.55
Australia	62.4	55.5	45.5	31.1	0.55
Mexico	27.0	38.5	27.2	25.0	0.92
Netherlands	13.7	14.6	9.2	18.6	2.02
West Germany	19.8	15.8	10.8	17.5	1.62
Denmark	11.9	9.1	4.1	14.6	3.52
Belgium/Luxembourg	13.3	12.2	8.2	13.1	1.59
Other Countries	169.1	125.4	88.5	110.0	1.24
TOTAL VALUE	1,909.0	1,940.8	1,462.1	1,513.2	1.03

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

TABLE 11. Softwood Logs: U.S. Exports by Country, 1985-86

Country	1985			1986				
	3rd Qtr.	January-September	Total	1st Qtr.	2nd Qtr.	3rd Qtr.	January-September	Ratio 86/85
	1000 Board Feet							
Japan	490,795	1,405,319	1,893,851	441,230	488,957	557,762	1,487,949	1.06
China	317,753	861,881	1,068,977	236,455	175,708	92,312	504,475	0.59
South Korea	75,643	251,185	324,389	68,995	106,530	108,070	283,595	1.13
Canada	83,427	291,572	412,051	121,094	23,436	95,945	240,475	0.82
Hong Kong	2,299	12,557	25,370	0	5,001	1,800	6,801	0.54
Taiwan	578	1,357	1,357	128	3,228	1,356	4,712	3.47
Dominican Republic	108	108	108	469	17	1,234	1,720	15.93
Mexico	482	975	1,450	355	422	225	1,002	1.03
Italy	86	823	1,153	583	189	0	772	0.94
Spain	100	304	386	85	238	139	462	1.52
Other Countries	357	2,299	2,879	400	777	201	1,378	0.60
TOTAL	971,628	2,828,380	3,731,971	869,794	804,503	859,044	2,533,341	0.90

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

NA: Not applicable.

BEST COPY AVAILABLE

TABLE 12: Softwood Lumber: U.S. Exports by Country, 1985-86

Country	1985			1986				Ratio
	3rd Qtr.	January-September	Total	1st Qtr.	2nd Qtr.	3rd Qtr.	January-September	86/85
	1000 Board Feet							
Japan	129,435	415,810	574,179	199,724	180,940	173,923	554,587	1.33
Canada	79,616	224,195	294,387	86,206	91,416	99,854	277,476	1.24
Australia	42,618	131,250	158,883	35,671	33,394	26,311	95,376	0.73
Mexico	31,423	74,704	109,511	30,839	31,436	29,916	92,191	1.23
Italy	13,585	56,265	77,404	22,402	27,041	18,701	68,144	1.21
United Kingdom	6,033	20,894	27,110	12,143	12,211	10,078	34,432	1.65
Spain	6,821	18,238	26,398	8,916	11,302	10,833	31,051	1.70
Dominican Republic	5,866	20,686	29,678	7,269	8,338	5,095	20,702	1.00
West Germany	4,430	12,723	18,796	6,289	7,061	5,253	18,603	1.46
French Pacific Islands 1/	3,553	8,097	15,093	6,089	6,226	5,426	17,741	2.19
Bahamas	2,829	11,278	14,995	5,004	5,021	4,994	15,019	1.33
Trinidad and Tobago	6,104	12,345	14,571	4,600	4,635	4,628	13,863	1.12
Netherlands	681	3,959	4,529	10,204	1,082	1,360	12,646	3.19
Greece	2,563	8,662	12,616	3,476	4,479	2,056	10,011	1.16
Belgium/Luxembourg	988	3,342	5,112	4,678	2,548	1,981	9,207	2.75
South Korea	1551	4035	5,686	1,157	4,758	2,802	8,717	2.16
Jamaica	6,841	16,910	22,982	780	4,460	1,971	7,211	0.43
Other Countries	19,988	76,334	92,872	23,031	19,141	18,408	60,580	0.79
TOTAL	364,925	1,119,727	1,504,802	468,478	455,489	423,590	1,347,557	1.20

1/ French Pacific Islands formerly reported as New Caledonia.

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

32

TABLE 13. Softwood Plywood: U.S. Exports by Country, 1985-86

Country	1985			1986				
	3rd Qtr.	January-September	Total	1st Qtr.	2nd Qtr.	3rd Qtr.	January-September	Ratio 86/85
	1000 Square Feet							
United Kingdom	9,313	54,247	65,638	49,355	12,712	21,874	83,941	1.55
Denmark	141	13,157	35,574	31,135	26,780	16,305	74,220	5.64
Netherlands	2,209	29,496	48,615	46,705	3,101	15,077	64,883	2.20
Belgium/Luxembourg	7,283	35,199	49,806	24,693	11,132	12,584	48,409	1.38
Canada	4,009	17,719	25,237	12,656	9,282	19,674	41,612	2.35
West Germany	5,914	14,572	21,360	20,056	3,997	4,204	28,257	1.94
Bahamas	2,757	6,255	8,299	2,615	2,063	2,471	7,149	1.14
Trinidad and Tobago	1,736	4,655	5,772	1,882	3,997	1,121	7,000	1.50
French Pacific Islands 1/	2,879	4,137	6,586	2,242	2,779	1,660	6,681	1.61
Japan	1,401	4,912	6,206	1,986	2,316	2,367	6,649	1.35
Other Countries	10,531	35,264	47,427	13,883	12,793	13,376	40,052	1.14
TOTAL	48,175	219,613	320,520	207,188	90,952	110,713	408,853	1.86

1/ French Pacific Islands formerly reported as New Caledonia.

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

USDA-ERS-FAD LIBRARY ROOM 1541-S

TABLE 14. Wood Chips: U.S. Exports by Country, 1985-86

Country	1985			1986				Ratio 86/85
	3rd Qtr.	January-September	Total	1st Qtr.	2nd Qtr.	3rd Qtr.	January-September	
	Short Tons							
Japan	575,067	1,675,447	2,169,430	467,273	519,602	525,610	1,512,485	0.90
Canada	22,527	62,612	80,078	17,269	14,121	67,888	99,278	1.59
Sweden	26,611	26,611	47,070	20,746	0	23,850	44,596	1.68
Taiwan	0	0	0	1,798	0	0	1,798	NA
Mexico	0	452	452	30	790	250	1,070	2.37
Australia	0	35	105	86	176	48	310	8.86
Hong Kong	0	57	57	0	83	0	83	1.46
Belgium/Luxembourg	0	65	65	0	0	0	0	0.00
Finland	0	0	19,699	0	0	0	0	NA
West Germany	0	211	211	0	0	0	0	0.00
Other Countries	262	822	822	199	1,094	134	1,427	1.74
TOTAL	624,467	1,766,312	2,317,989	507,401	535,866	617,780	1,661,047	0.94

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

NA: Not applicable.

• U.S. GOVERNMENT PRINTING OFFICE: 1986-480-916:40159/743

TABLE 15. Softwood Veneer: U.S. Exports by Country, 1985-86

Country	1985			1986				Ratio
	3rd Qtr.	January-September	Total	1st Qtr.	2nd Qtr.	3rd Qtr.	January-September	86/85
	1000 S							
Canada	36,456	153,616	195,753	37,582	41,478	106,570	185,630	1.21
Japan	16,845	40,201	56,274	16,601	46,112	9,846	72,559	1.80
West Germany	11,601	19,120	19,725	8,064	5,936	5,476	19,476	1.02
Mexico	3,179	7,877	13,596	3,943	2,512	2,005	8,460	1.07
Denmark	219	4,956	8,272	2,614	1,452	210	4,275	0.86
United Kingdom	14	758	1,062	570	1,227	443	2,240	2.96
Belgium/Luxembourg	0	240	894	390	656	1,117	2,163	9.01
Taiwan	432	1,064	1,064	1,184	743	100	2,027	1.91
Italy	251	1,933	3,286	1,032	799	60	1,891	0.98
Bahamas	323	698	1,023	703	0	0	703	1.01
France	0	548	548	0	211	208	419	0.76
Other Countries	449	4,753	6,144	462	7,024	10,033	17,519	3.69
TOTAL	69,769	235,764	307,641	73,145	108,150	136,068	317,363	1.35

Source: U.S. Department of Commerce.

Note: Totals may not add due to rounding.

NA: Not applicable.

BEST COPY AVAILABLE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, $300

FIRST-CLASS MAIL
POSTAGE & FEES PAID
USDA-FAS
WASHINGTON, D.C.
PERMIT No. G-262

If your address should be changed_____PRINT OR TYPE the new address, including ZIP CODE and return the whole sheet and/or envelope to:

FOREIGN AGRICULTURAL SERVICE, Room 4844 So.
U.S. Department of Agriculture
Washington, D.C. 20250

TABLE 16. Wood Products: U.S. Trade Balance by Commodity, January-September, 1986

Commodity	Exports	Imports	Net Balance
	($1,000)		
Softwood Logs	821,728	4,685	817,043
Hardwood Logs	71,475	3,445	68,030
Poles, Piles and Posts	15,113	10,450	4,663
Wood Chips	118,604	13,787	104,817
Softwood Lumber	451,360	2,359,080	(1,907,720)
Hardwood Lumber	249,503	97,279	152,224
Softwood Flooring	102	326	(224)
Hardwood Flooring	4,846	21,903	(17,057)
Siding	550	101,822	(101,272)
Molding	7,779	84,773	(76,994)
Treated Lumber, Flooring, Siding & Molding	3,059	16,812	(13,753)
Railroad Ties	3,481	2,670	811
Softwood Veneer	9,869	12,427	(2,558)
Hardwood Veneer	57,668	84,030	(26,362)
Softwood Plywood	88,577	26,069	62,508
Hardwood Plywood	9,741	361,198	(351,457)
Hardboard	18,193	43,820	(25,627)
Particleboard	23,841	105,029	(81,188)
Cellular Wood Panels	1,152	168	984
Gypsum & Plaster Board	6,519	76,382	(69,863)
Other Panel Products	22,728	26,644	(3,916)
Miscellaneous Wood Products	183,712	669,481	(485,769)
TOTAL	2,169,600	4,122,280	(1,952,680)

Source: U.S. Department of Commerce.

Note: May not add to totals due to rounding.

BEST COPY AVAILABLE